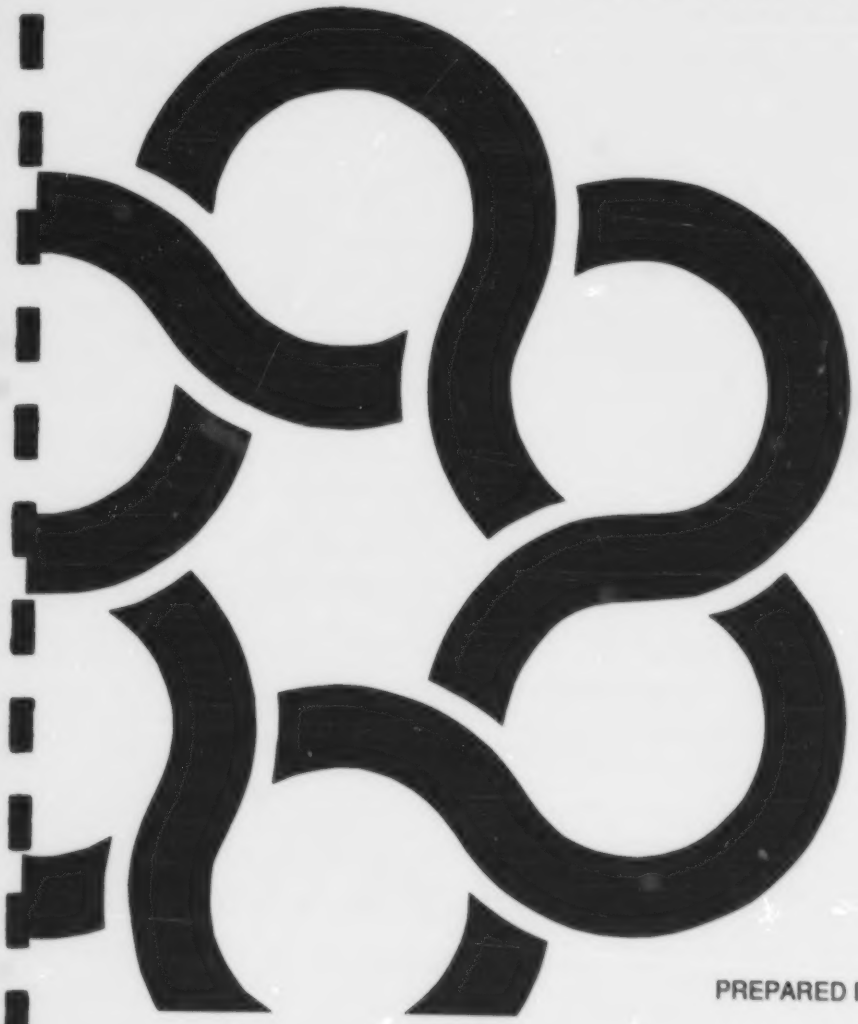
REPORT No. 12
1990

METRO MAIN STREETS

Economic Feasibility Study



PREPARED FOR THE METROPOLITAN TORONTO PLANNING DEPARTMENT BY THE STARR GROUP

METROPOLITAN PLAN REVIEW

The Municipality of Metropolitan Toronto

Metropolitan Plan Review

Report No. 12

METRO MAIN STREETS

ECONOMIC FEASIBILITY STUDY

A background document in the review of
"The Official Plan for the Urban Structure: Metropolitan Toronto"

Prepared for the Metropolitan Planning Department
by The Starr Group

1990

Clause embodied in Report No. 34 of The Management Committee adopted, as amended, by the Council of The Municipality of Metropolitan Toronto at its meeting held on December 5, 1990.

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METRO MAIN STREETS - ECONOMIC FEASIBILITY STUDY.

The Management Committee recommends the adoption of the recommendations of the Economic Development and Planning Committee embodied in the following communication (November 6, 1990) from the Metropolitan Toronto Clerk, subject to Recommendation No. (3) embodied in the report dated October 15, 1990, from the Commissioner of Planning being deferred for consideration as part of the 1991 budget process:

Recommendations:

The Economic Development and Planning Committee recommends:

(1) the adoption of the report dated October 15, 1990, from the Commissioner of Planning, subject to deferring consideration of that portion of Recommendation No. (2) relating to a Metro Main Streets Office;

(2) that Metropolitan Toronto, in conjunction with the Area Municipalities, undertake a study to develop a Trip Reduction Incentive Planning Process as part of Metropolitan Toronto's Main Streets initiative in order to reduce reliance on the automobile and encourage alternative non-polluting means of mobility on our main streets, i.e. public transportation, cycling, walking, etc.; and

(3) that the following motions be referred to the Special Metropolitan Toronto Housing Committee:

Moved by Councillor Colle:

(1) That the Commissioner of Planning be directed to draft official plan amendments to provide as-of-right residential housing to a maximum of two storeys above existing retail strip commercial; and

(2) that the Special Metropolitan Toronto Housing Committee be requested to develop a format for the development of non-profit and non-profit co-operative Main Street housing.

Background:

The Economic Development and Planning Committee at its meeting on November 5, 1990, had before it a report (October 15, 1990) from the Commissioner of Planning recommending that:

(1) the study, entitled "Metro Main Streets - Economic Feasibility Study", be received for information;

(2) Metropolitan Council direct the Commissioner of Planning to consult with other Departments and the Province of Ontario in order to evaluate the feasibility of establishing a Convert-to-Rent Program, to develop Terms of Reference for the Main Streets Office, and to analyze and recommend an appropriate budget for the Main Streets Office for the consideration of the Economic Development and Planning Committee;

(3) Metropolitan Toronto, in conjunction with the Area Municipalities, undertake a study to examine the parking needs of residents of housing on Main Streets, subject to the approval of the item in the 1991 budget;

(4) a copy of the Metro Main Streets report be sent to the Special Metropolitan Toronto Housing Committee for its information as it undertakes the next round of meetings with the Area Municipalities;

(5) the Metro Main Streets report and summary be given wide circulation to interested Metropolitan Agencies, Area Municipalities, the regional municipalities of the Greater Toronto Area, and interested agencies; and

(6) the Metro Main Streets report be made available to the public at a cost of $10.00 and a summary of the report be made available free of charge.

Mr. Edward Starr of The Starr Group made a presentation to the Committee in connection with the foregoing matter.

The following persons appeared before the Economic Development and Planning Committee in connection with the foregoing matter:

- Councillor Howard Moscoe, North York - Spadina; and
- Councillor Lois Griffin, Etobicoke - Rexdale Thistletown.

(Report dated October 15, 1990, addressed to the Economic Development and Planning Committee from the Commissioner of Planning.)

Recommendations:

It is recommended that:

(1) the study, entitled "Metro Main Streets Economic Feasibility Study", be received for information;

(2) Metropolitan Council direct the Commissioner of Planning to consult with other Departments and the Province of Ontario in order to evaluate the feasibility of establishing a Convert-to-Rent Program, to develop Terms of Reference for the Main Streets Office, and to analyze and recommend an appropriate budget for the Main Streets Office for the consideration of the Economic Development and Planning Committee;

(3) Metropolitan Toronto, in conjunction with the Area Municipalities, undertake a study to examine the parking needs of residents of housing on Main Streets, subject to the approval of the item in the 1991 budget;

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(5) the Metro Main Streets report and summary be given wide circulation to interested Metropolitan Agencies, Area Municipalities, the regional municipalities of the Greater Toronto Area, and interested agencies; and

(6) the Metro Main Streets report be made available to the public at a cost of $10.00 and a summary of the report be made available free of charge.

Introduction:

In 1989, Metropolitan Council approved the engagement of The Starr Group to undertake a study designed to supplement the Metropolitan Plan Review by exploring the economic feasibility of housing over retail along Metropolitan arterial roads. Main Street Housing refers to developments fronting on major roads, with rear vehicular access, having retail at grade with one to four storeys of housing on top.

The City of Toronto undertook a similar study; the Metropolitan Toronto study concentrated on the Cities of York, Etobicoke, North York and Scarborough and the Borough of East York.

The housing form examined in this study represents only one of many forms that may be appropriate for Metropolitan arterial roads. It is one of the most promising approaches to intensification to help meet the present and future demands for affordable housing and an original urban landscape. There are other forms of housing, six storeys or greater, that are appropriate in a wide variety of key locations on Metropolitan arterial roads. The Planning Department is working with the firm of Berridge Lewinberg Greenberg on the Residential Density Guideline Study to examine appropriate ranges of density and building form for residential development throughout Metropolitan Toronto. This study will identify other types of housing suitable for Metropolitan arterial roads.

The Metro Main Streets Economic Feasibility Study has now been completed and is submitted to the Committee for their information. A presentation will be made to the Committee by Mr. Edward Starr of The Starr Group.

Study Methodology and Findings:

Five sites were selected for the study, one in each of the Area Municipalities, each site representing a typical development possibility:

- corner retail - East York;
- high-rise residential infill - Etobicoke;
- mid-block retail - York;
- retail strip - Scarborough; and
- retail plaza - North York.

In all cases, the schemes provide housing over ground-level retail uses; offices were included where considered appropriate. Heights ranged from two to five storeys. At least two options were examined for each site.

Using a LOTUS-based real estate computer model, the financial feasibility of various forms of tenure, including private rental, condominium and non-profit rental were determined. The model found that non-profit rental housing, affordable

condominiums and luxury condominiums were feasible on a number of the sites. Private rental housing was generally less financially attractive except where development was for walk-up units and parking could be accommodated at grade.

Medium scale developments of four to five storeys tended to be the least feasible as they were large enough to require costly elements such as underground parking, elevators and non-combustible construction but not large enough to benefit from the economies of scale found in higher density forms of development.

The key conclusions are as follows:

- the most financially effective form of mixed-use commercial/residential development along major roads is the small, two or three storey development containing ground floor retail and walk-up apartments;
- the provision of housing on the unused portion of high-rise apartment sites on major roads is particularly feasible if it is assumed that there is no land cost;
- condominium units are more likely to be financially feasible than private rental units when the current oversupply situation turns around;
- reductions in parking standards are important in ensuring the financial feasibility of housing along major roads; and
- non-profit housing development appears financially feasible on most sites, as the mix of uses helps spread the land costs, and government subsidies guarantee operating costs.

A number of constraints were identified including:

- residential rent levels alone are not sufficiently high to provide an economic return to developers;
- higher residential densities along major roads will not necessarily increase private rental housing;
- various planning and zoning regulations make it difficult to provide mixed-use developments; and
- financial feasibility is threatened where the inclusion of a residential component requires a reduction in the commercial component to accommodate parking requirements.

The consultant also undertook a regulatory review and made a series of recommendations suggesting changes to planning regulations which constrained development of this nature:

- reduction in parking standards where viable in relation to transit;
- establishment of density and bulk standards that permit more mixed-use development as-of-right;
- removal of standards favouring larger units over smaller, more affordable units; and

- further examination of the potential for infilling older high-rise residential sites.

An implementation strategy was developed and the report details activities to be undertaken to make this form of development possible.

The study clearly demonstrates that the development of this form of housing along major roads is possible. The feasibility of such development would be enhanced through changes to local planning regulations which would reduce capital costs and facilitate development approvals. The authors argue that Metropolitan Toronto has a key leadership role to play in seeing that this type of development occurs throughout the municipality. They suggest that Metropolitan Toronto establish a revolving loan fund with matching funds from the Province to undertake a convert-to-rent program. They also recommend that a comprehensive marketing and promotion program be initiated by Metropolitan Toronto and that Metropolitan Toronto look into facilitating joint ventures between non-profit agencies and private developers. Much of this would be undertaken by the recommended Metro Main Streets Office.

Discussion:

This report provides staff with a solid basis to actively pursue this type of development throughout Metropolitan Toronto. The many miles of underutilized arterial roads offer a great deal of opportunity to increase the supply of affordable housing without intruding into existing lower density residential neighbourhoods.

In principle, staff support the concepts inherent in this report. The Main Streets concept is a key building block amongst other intensification strategies and from indications received through the Special Metropolitan Toronto Housing Committee, it appears to enjoy support at the local level. A number of the recommendations on implementation involve further input from staff outside of the Planning Department. It is proposed that a closer examination of the report be undertaken by the Planning Department through inter-departmental consultation, with area municipal input and through discussions with the Province of Ontario, and that the findings be reported back to the Committee.

The report has four areas of recommendations: changes to planning regulations; financial incentives; marketing and promotion program; and administrative changes. Below is a brief summary of the key recommendations together with staff comments as appropriate.

Changes to Planning Regulations:

Under this section, the Report recommends, first, that Metropolitan Toronto formulate a Policy Statement for inclusion in the Official Plan encouraging the Main Streets form of development. Staff are already incorporating this in the new Official Plan, subject to input from the public consultation process; second, that Metropolitan Toronto should encourage the Area Municipalities to implement this Policy Statement through appropriate amendments to their Official Plans and Zoning By-laws; and, third, that Metropolitan Toronto, in conjunction with the Area Municipalities, should undertake a physical design study of mixed-use developments.

The recommendations concerning parking are an important aspect of this study. In particular, the proposal for a reduction in parking standards, where possible, needs to be examined more closely. The City of Toronto's parking study found that the number of cars per household for residents of this form of housing ranged between 0.28 per cent. and 0.81 per cent. These findings have significant implications for the other five

municipalities. If people who live on Main Streets with good public transit available tend not to be car owners, then an argument for relaxed parking standards can be supported. It is recommended that Metropolitan Toronto, in conjunction with the Area Municipalities, undertake a survey to verify the current car ownership and parking requirements. A survey of this nature would require a budget of approximately $5,000.00. This has been integrated into the 1991 budget proposals.

The physical design study should be assessed in the context of the Residential Density Guideline Study before further work proceeds.

Financial Incentives:

Among this set of recommendations are a number of proposals which involve other Metropolitan Departments, in particular, the Treasury Department, the Legal Department, The Metropolitan Toronto Housing Development Corporation, and the Land Management Committee. The report recommends that Metropolitan Toronto seriously investigate establishing a Convert-to-Rent supplement program, with matching Provincial funds, through a revolving fund of $2 million. Further to this, Metropolitan Toronto should request that the Ministry of Housing increase the upper limit of individual loans available under the Convert-to-Rent program to $15,000.00 within Metropolitan Toronto. There is also a recommendation to encourage non-profit housing agencies to undertake this type of development and that an inventory of suitable Metropolitan-owned properties be prepared. It is understood that the Land Management Committee is now undertaking this latter recommendation. It is proposed that the Planning Department work with other Metropolitan Departments and the Province of Ontario to evaluate the feasibility of such a program and to report further to the Economic Development and Planning Committee.

Marketing and Promotion:

The report suggests elements that might be incorporated into a comprehensive marketing and promotion program to encourage this type of development. The objective of the marketing strategy is to persuade the stakeholders to accept the concept of residential development along main streets. A four point acceptance continuum has been developed which illustrates the levels of understanding of the various stakeholders. The four points include: awareness; consideration; preference; and acceptance. Different messages must be delivered to the stakeholder groups at the various stages on the continuum. Identified stakeholders include Metropolitan Toronto, the Province, the Area Municipalities, private developers and consultants, housing providers, financial institutions, small retail property owners/absentee landlords, and neighbourhood residents.

A number of marketing techniques have been identified which meet the needs of the stakeholders on the varying stages of the acceptance continuum. For those on the first level, awareness, a pamphlet mailout and advertising in the media is suggested. For those at the consideration level, it would be appropriate to hold one-on-one meetings, distribute copies of this report and develop presentations/seminars, travelling displays and slide or video shows. Those on the preference level would receive copies of the report, have some type of training and education programs, a networking team would be established and demonstration projects could be developed.

Administrative Changes:

The report recommends that Metropolitan Toronto establish a Metro Main Streets Office. The purpose of this office would be to encourage and facilitate the provision of housing along Metropolitan roads in accordance with the concepts presented in this

report. Once the examination is complete, staff will bring a report to the Committee detailing staffing and budget implications. The report further recommends that the Metropolitan Planning Department adopt a policy of prioritizing and streamlining the approval of this type of development. It recommends that research into this type of housing should be ongoing, and that Metropolitan Council should encourage The Metropolitan Toronto Housing Development Corporation and other non-profit housing agencies to undertake this type of development.

It is proposed that the findings of the Starr Report will be part of the discussion of the Special Metropolitan Toronto Housing Committee in its second round of meetings with the Area Municipalities.

It is recommended that the report and the summary be given wide circulation to the public, the Area Municipalities, Metropolitan Agencies, the regional municipalities, the Provincial and Federal Governments and interested agencies and organizations.

(The Metropolitan Council on December 5, 1990, amended the foregoing Clause by deleting the following words embodied in Recommendation No. (1) of the Economic Development and Planning Committee:

> *"subject to deferring consideration of that portion of Recommendation No. (2) relating to a Metro Main Streets Office.")*

METRO MAIN STREETS

ECONOMIC FEASIBILITY STUDY

FINAL REPORT

SEPTEMBER, 1990

Prepared by:

The Starr Group

in Association with

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October 10, 1990

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SUBJECT: FINAL REPORT
METRO MAIN STREETS ECONOMIC FEASIBILITY STUDY

Dear Ms. Howard:

We are pleased to submit our final report for the **Metro Main Streets Economic Feasibility Study.** This study has examined the economic feasibility of one potential approach, "Main Streeting", to the provision of housing along major roads of Metro. Main Streeting is an increasingly popular concept whereby housing is provided in low and medium-rise mixed-use developments along major roads of a community. In view of the need for affordable accommodation within Metro, a particular emphasis was placed on examining the economic feasibility of various forms of affordable housing in such locations.

The report finds that, while not all forms of housing are economically feasible in mixed-use projects along major roads of Metro, there are several types of accommodation which appear to hold particular potential, including non-profit housing, small walk-up apartment forms and condominiums affordable within the Ministry of Housing affordability definition. The report identifies potential changes to local Official Plans and Zoning Bylaws which would facilitate more activity of this nature.

The report concludes with a set of recommendations aimed at encouraging more Main Streeting activity within Metro. These recommendations include:

- o suggested changes to planning regulations
- o financial incentives to be considered
- o marketing and promotional initiatives designed to provide greater information about the concept
- o administrative changes at Metro to help facilitate development of this nature.

We would like to thank everyone connected with the project for their assistance and support throughout the study. In particular, we wish to thank yourself, John Livey, and Brenda Bernards from the Metropolitan Planning Department for their ongoing assistance and input.

We believe this study can do much to pave the way for a highly innovative and important approach to helping meet Metro's housing needs today and in the future.

Yours truly,

Edward N. Starr

Edward N. Starr, M.E.S., M.B.A., M.C.I.P.
President

cc. P. Grundland, The Starr Group
T. Strom, The Starr Group
R. Drdla, R. Drdla Associates
J. Van Nostrand, Garwood Jones + Van Nostrand

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EXECUTIVE SUMMARY

(i) Introduction

"Main Streeting" has come to be known as the development of low and medium-rise mixed-use (residential and commercial) projects along main streets of a community. This approach represents only one potential form of residential intensification along major roads. Other possible forms of intensification not examined in this study would include large-scale multi-use redevelopment projects at major intersections, stand-alone residential apartments, high rise office towers accompanied by a modest number of residential units, and so on. The full range of potential forms and densities is being examined by Metro Planning staff as part of their on-going research on intensification.

This study is aimed at evaluating the economic feasibility of "Main Streeting" within Metropolitan Toronto, examining current impediments to such development (particularly those arising from present planning regulations) and considering financial incentives to encourage more housing of this nature in suitable areas along major roads of Metro. It also provides recommendations respecting actions that Metro should take to support the implementation of the concept and to promote and market the concept to the development industry (particularly small developers and landowners), area municipalities, non-profit housing providers, senior levels of government and other appropriate groups.

(ii) Literature Review

A review of literature on the subject of Main Streeting and mixed-use development in general yielded a number of examples where housing had been successfully integrated with various forms of commercial development along major roads.

The literature has shown that many benefits can indeed be realized by communities adopting appropriate policies to encourage the provision of housing along major roads. These include:

- the creation of additional housing in areas faced with shortages of vacant residential lands;
- the provision of more affordable units;
- increased markets for merchants in commercial areas;
- increased assessment for the municipality;
- increased use of underutilized structures and service infrastructure in some areas;
- improvements in the relationship and proximity of places of employment and residence; and
- general improvements to the physical environment of commercial areas.

The literature has shown that suburban municipalities pose a unique challenge which differs considerably from the inner city. The dependence on the automobile and the vast diversity of land uses and building forms found along major roads of suburban municipalities require highly specific solutions that may not be suitable in inner city areas.

While a number of problems are inherent in the development of mixed-use projects along major roads, a range of useful approaches have been adopted in a number of communities to help overcome identified constraints and encourage a greater range of activity. Many of these approaches are quite suited to the Metro Toronto situation and should be considered.

(iii) Concept Schemes[1]

To provide the data for this assessment, typical mixed-use schemes were conceptually designed for five selected sites, one in each participating area municipality; East York, Etobicoke, North York, Scarborough and York (the City of Toronto prepared their own parallel study). A total of 13 schemes were developed and analyzed.

In all cases, these schemes provide housing over ground-level retail uses. Offices also were included where considered appropriate. The height of the schemes ranged from 2 to 5 storeys maximum. At least two options were examined on each site to explore the financial impact of the different scales of development, mixes of uses and arrangements for parking.

The selected sites all have unrealized housing development potential. This means they have under-utilized vacant land and/or single-storey development where higher forms were possible. The sites also are associated with existing housing areas in order to provide an appropriate living environment. Small or modestly-sized sites were selected in order to focus on developments that might be undertaken by smaller developers and/or landowners.

The five sites are intended to represent the most typical development possibilities across Metro Toronto. Thus, the development of financially feasible concepts on these types of sites would provide the greatest potential across Metro for housing of this nature. The types of sites include the following:

- **Corner Retail Site** (0.11 ha) on St. Clair Ave East in East York is presently occupied by a discount filling station. The options explored here involved redevelopment.

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[1] Floor space and site area measurements are provided in metric, while financial calculations are provided in imperial measurement to facilitate analysis.

- **High-Rise Residential Infill Site** (0.19 ha) on Dundas St West in Etobicoke is the undeveloped frontyard of a 22-storey rental apartment tower. The options here involved infill, leaving the existing building intact.

- **Mid-Block Retail Site** on Eglinton Avenue West in York is a mid-block parcel (0.09 ha) containing a small single-storey supermarket. The options involved redevelopment.

- **Retail Strip** (0.57 ha) on Lawrence Avenue East in Scarborough presently contains a single-storey shopping structure with 13 shops fronted by off-street parking. The options involved redevelopment.

- **Retail Plaza** (1.69 ha) along Sheppard Ave West in North York is presently occupied by an older plaza. This plaza contains approximately 50 outlets, mostly in a single-storey structure set out in the conventional L-shaped configuration, anchored by a supermarket and with an expansive parking area facing the street intersection. The options examined infill on part of the parking area, while retaining all or nearly all of the existing commercial space.

(iv) Financial Analysis

The financial feasibility of the case study concepts was determined used a LOTUS-based real estate computer model developed as part of the study. In general, the financial analysis showed that several cases yielded positive financial results, while there were some scenarios which were generally unattractive to potential investors. The model found that non-profit housing, affordable condominiums and luxury condominiums could be feasibly provided on some or all of the sites examined. Private rental housing proved to be feasible in some cases, primarily low rise (2-3 storey) walk-up forms of development where both commercial and residential parking can be provided at grade. Medium scale (4-5 storey) developments tended to present the "worst of all worlds" to potential developers. They are large enough that they require costly elements such as underground parking, non-combustible construction and elevators, but not large enough to benefit from the economies of scale usually found in higher density forms of development. Revenues generated in such projects were generally insufficient to cover the costs involved.

The key conclusions are as follows:

1) Opportunities to Pursue

- **The most financially effective form of mixed-use commercial/residential development along major roads is two or three storey development with parking at grade.** The housing in such projects can be built at a modest cost, provided no underground parking is needed. Given the widespread numbers of sites throughout Metro containing suitable ground floor retail developments, there is extensive potential for the creation of additional housing in this manner, particularly affordable

private rental, non-profit and condominium units. These sites are also the ones most likely to be developed by small developers and landowners--the two main target groups for this initiative. For these reasons, these are the types of sites Metro should emphasize most strongly in any program of housing along major roads.

- **The provision of housing on the unused portion of high rise apartment sites on major roads is particularly feasible financially, as this land currently has no real development potential and hence very little value in the real estate market due to existing regulatory constraints on its development.** Metro should encourage area municipalities to revise planning regulations to support and encourage development of this nature.

- **Condominium units are more likely to be financially feasible than private rental units when the current oversupply situation turns around.** However, a number of factors may limit the number of market segments to whom condominiums along major roads would appeal. Careful project planning and target marketing must be carried out to enhance the success of such projects.

- **Reductions in parking standards are critical to ensuring the financial feasibility of housing along major roads.** Area municipalities should be encouraged to permit such reductions in projects proposing to provide housing along major roads, providing such sites are in close proximity to high capacity (frequent) public transit.

- **Non-Profit housing development appears financially feasible on most sites, as the mix of uses helps spread the land costs and government subsidies guarantee operating costs.** The Ministry of Housing and local non-profit housing groups should be encouraged to actively support and pursue developments of this nature.

2) **Constraints to be Addressed:**

- **Residential rent levels are not sufficiently high to provide an economic return to developers, in spite of very low vacancy rates.** The main contributing factors are:

a) Construction costs, land prices and interest rates have escalated more rapidly than market rent levels in recent years. Rapid inflation in real estate markets and the imposition of Rent Review legislation are often cited as the major reasons for this trend.

b) High land prices on commercial roads.

- **The existing planning and zoning regulations often frustrate these developments.** Despite favourable planning intentions in most municipalities, none of the mixed-use schemes tested could be built without re-zoning and/or Official Plan amendments. It is difficult to generalize because the regulations in each municipality set different problems. Parking, height and density limits were the most frequent constraints. Small sites particularly are adversely affected.

- **Where residential development is added to a commercial site requiring a reduction of potential or existing commercial space, it threatens the financial feasibility of the development**. A disproportionate share of the financial return on a development comes from the commercial portion.

- **Higher residential densities along major roads will not necessarily give rise to greater development of private rental housing.** Rental revenues for private apartments are generally insufficient to cover the increased costs, particularly for underground parking.

(v) **Regulatory Review**

A review was made of the Official Plan and zoning provisions in each area municipality applicable to the concepts under review. From this review, a number of constraints were identified to the development of housing along major roads. A series of recommendations were made suggesting amendments to such planning regulations in order to eliminate such constraints. The thrust of these revisions is as follows:

1) **reduce parking standards whenever possible**

2) **establish density and bulk standards that permit more mixed use development as-of-right**

3) **remove the standards that favour larger units over smaller and more affordable ones**

4) **examine further the potential for infilling older high-rise residential sites**

Metro Planning should work closely with area municipalities to assist them in formulating appropriate amendments.

(vi) Implementation Strategy

The results of the analysis, in our view, show sufficient financial potential and provide a wide enough range of benefits to warrant an active series of initiatives by Metro to encourage more development of this nature. Accordingly, an active Implementation Strategy has been designed to help Metro achieve its objectives in this regard. This Implementation Strategy is comprised of the following elements:

- Changes to **planning regulations** in order to eliminate some of the regulatory obstacles facing potential providers of housing along major roads;
- Implementation of **financial incentives** to encourage more activity of this nature;
- A **marketing strategy** designed to inform and educate all key individuals and organizations about the provision of housing along major roads and, ultimately, to encourage more activity;
- **Administrative changes** to facilitate the delivery of housing along major roads.

Section 7 of the report outlines in detail the activities that should be taken in each of these areas. Perhaps the three key major proposals being made are:

- the development of a Metropolitan Toronto Policy Statement on Housing along Major Roads for inclusion as an amendment to the Metropolitan Toronto Official Plan.
- the implementation of a Convert-to-Rent Supplement Program by Metro to provide funding assistance to individuals creating rental housing along major roads in accordance with the concepts presented in this report.
- the establishment of a Metro Main Streets Office to encourage and facilitate the development of housing along major roads.

(vii) Conclusions and Recommendations

This study clearly demonstrates that the development of housing along major roads of Metro Toronto in small and medium scale (under six storey) mixed-use commercial/residential projects holds considerable promise for meeting some of Metro's most pressing housing needs. Non-profit housing, affordable and luxury condominiums and, in many cases, private rental housing can be provided in a financially feasible manner on a variety of types of sites across Metro. The feasibility of such developments can be enhanced through changes to local planning regulations which would reduce capital costs and facilitate development approvals. The study has shown that Metro itself can play a key leadership role in this initiative by adopting an aggressive Implementation Strategy.

Below we outline a series of recommendations through which this Implementation Strategy can be achieved.

o **Recommendations**

We recommend that Metro adopt the Implementation Strategy set out in this report by undertaking the following actions:

1. Changes to Planning Regulations

1.1 The Metropolitan Toronto Planning Department should formulate for inclusion in the Metropolitan Toronto Official Plan a Policy Statement encouraging the provision of small and medium scale (under 6 storey) mixed-use commercial/residential developments along major roads of Metro.

1.2 The Council of Metropolitan Toronto should encourage area municipalities to implement this Policy Statement through appropriate amendments to their Official Plans and Zoning Bylaws. These amendments should be formulated in accordance with the recommendations set out in Section 6.3 of this report, namely,:

1) reduce parking standards whenever possible

2) establish density and bulk standards that permit more mixed use development as-of-right

3) remove the standards that favour larger units over smaller and more affordable ones

4) examine further the potential for infilling older high-rise residential sites Metro Planning should work closely with area municipalities to assist them in formulating appropriate amendments.

1.3 **Metro Toronto, in conjunction with the area municipalities, should undertake a physical design study of mixed-used development particularly on smaller sites.** These sites (roughly in the 0.5 ha and less range) seem to be particularly affected by the existing regulations that seemed to be aimed at protecting the abutting neighbouring areas rather than promoting this form of development. A study of this nature would be very important in providing the supporting information needed by those municipalities seeking to implement less restrictive standards that allow more development as-of-right.

2. Financial Incentives

2.1 Metro should encourage joint ventures between private owners of commercial properties along major roads and non-profit housing corporations.

2.2 Metro should request that the Ministry of Housing place particular emphasis on allocating funds under the Ontario Non-Profit Housing Program for small scale non-profit housing projects in mixed-use developments along major roads of Metro.

2.3 Metro should seriously investigate establishing its own **Convert-to-Rent Supplement Programme** to be applied to rental housing units created in mixed-use developments under 6 storeys along major roads. Individual loans should have a ceiling of $15,000 per unit, and should be provided at 8% interest. A revolving fund of $2 million should be established for this purpose. The appropriate Metro Departments (especially Planning, Legal, Treasury) should be instructed to work together to design the terms and conditions of the Programme. If it proves feasible, it should be administered on a day-to-day basis by the proposed Metro Main Streets Office (see Recommendation 4.1).

2.4 In addition, Metro should request the Ministry of Housing to increase the current upper limit of individual loans available under the Convert-to-Rent Programme to $15,000 within Metro Toronto where the funds are being used for "Mainstreet" projects. Metro should also request the Ministry to significantly increase the total budget for this Programme, especially in view of the emphasis being placed at both the Provincial and municipal level in Ontario on residential intensification.

2.5 Metro should request the Ministry of Housing to consider the establishment of a Programme providing financial assistance to first-time home buyers of affordable (according to Provincial definitions) ownership units built in mixed-use developments along major roads.

2.6 Metro Planning should prepare an inventory identifying which Metro-owned properties are suitable for use in mixed-use commercial/residential developments of less than 6 storeys along major roads. Based on this analysis, Metro should invite proposals from private developers and non-profit housing corporations to undertake joint ventures with Metro aimed at producing the desired forms of development.

3. Marketing and Promotion

3.1 Metro Planning should initiate a comprehensive marketing and promotion programme to encourage more "Mainstreet" projects within Metro. Specific activities should follow the marketing program set out in Section 7.4 of this report. Metro Planning should review the marketing programme suggested in Section 7.4, set out a budget and detailed work program and commence implementation. The initial priority marketing activities would include:

- o preparation of an education/information package to be used in presentations and workshops.
- o making a presentation to Metro Land Management Committee to secure their support and co-operation for the initiative.
- o making a presentation to key staff at the Ministries of Housing and Municipal Affairs to secure their support and to request changes to Provincial programmes such as Convert-to-Rent and Non-Profit Housing to encourage more development along major roads of Metro.
- o making a presentation to key staff of the area municipalities to inform them about the results of this study and commence the process of gaining their co-operation in encouraging the concept and formulating appropriate amendments to their Official Plans and Zoning Bylaws.
- o Requesting the Provincial Government to participate in a demonstration project to clearly show the feasibility and benefits of the concept.

4. Administrative Changes

4.1 Metro Council should establish the **Metro Main Streets Office**. The overall mission of this Office would be to encourage and facilitate the provision of housing along major roads of Metro in accordance with the concepts presented in this report. Presumably, the Office would be a separate section within the Metro Planning Department. Its main functions would include:

- o providing technical support to potential providers of housing along major roads (in terms of design, planning and financing advice).

- o helping expedite the approval of such projects at all necessary levels of government.

- o liaising on a regular basis with area municipalities to gain their co-operation and assistance in bringing projects to development and exploring approaches to further refining and facilitating the concept. The establishment of a Main Street Advisory Committee comprised of Metro and area municipal planners should be considered for this purpose.

- o assisting individuals in obtaining any financial assistance available under Programmes such as Convert-to-Rent.

- o administering the proposed Metro Convert-to-Rent Supplement Program.

- o undertaking on-going marketing and promotion activities to encourage greater activity of this nature.

- o producing an annual report highlighting results achieved each year across Metro.

- o working with other Metro Departments to identify opportunities for Mainstreet projects and to help bring these opportunities to fruition.

- o co-ordinating any special initiatives (eg. the proposed Metro proposal call for Mainstreet projects on Metro-owned properties, the proposed demonstration project).

The Office initially could be staffed by one planner and one clerical support person. The planner would draw on the resources found throughout the Metropolitan Corporation (i.e. in Planning, Legal, Treasury, Housing) to assist in undertaking the above functions. Should the proposed Metro Convert-to-Rent Supplement Program be implemented, administrative fees could be charged and the resulting revenues used to help cover the costs of operating this Office.

4.2 Metro Planning should adopt a policy of prioritizing and streamlining the approval of "Mainstreet" development applications designed in accordance with the concepts presented in this report. An internal committee should be established comprised of all Metro Departments involved in the circulations and approval of such applications. The terms of reference of this Committee would be to accelerate the approval of such applications and to work closely with applicants to ensure these developments meet the intent and objectives of the "Mainstreets" concept.

4.3 Metro Planning should include in its annual work program on-going research into all aspects of housing along major roads. They should continue to liaise with communities worldwide to maintain up-to-date information on the latest initiatives and monitor all developments of this nature across Metro. In this way, Metro would be recognized as a leading research centre into this whole concept. Metro Planning should also offer research support to the proposed Metro Main Streets Office as required.

4.4 Metro Council should encourage the Metro Toronto Housing Company Limited and any other Metro-related housing agencies to give priority to housing developments in mixed-use projects along major roads.

1.0 INTRODUCTION

1.1 Background

In recent years, a number of initiatives have been undertaken within Metropolitan Toronto [2] to examine approaches to better meet current and future housing needs. One of the concepts that emerged as having strong potential for adding to Metro's housing stock, and in particular to the stock of affordable accommodation, is "Main Streeting" - the provision of housing in low and medium-rise mixed use projects along major roads. This approach represents only one potential form of residential intensification along major roads. Other possible forms of intensification not examined in this study would include large-scale multi-use redevelopment projects at major intersections, stand-alone residential apartments, high rise office towers accompanied by a modest number of residential units, and so on. The full range of potential forms and densities is being examined by Metro Planning staff as part of their on-going research on intensification.

Strongly advocated in a report released by Councillor Richard Gilbert of the City of Toronto and Metropolitan Toronto Councils in November, 1987 and supported in Metro's recently released Housing Intensification Policy Report, the initiative is based heavily on the European model calling for the development of medium rise (under six storey) mixed-use developments incorporating both commercial and residential uses along main streets.

The City of Toronto has accepted the concepts outlined in these reports and has gone on to undertake a series of studies exploring the potential for such initiatives within the City. These studies, in fact, have been strongly supported through funding provided by both Metro and the Provincial Government. The Metro Toronto Planning Department, proceeding in accordance with the Intensification Policy Report has also decided to undertake corresponding research to determine the applicability of these concepts elsewhere in Metro. This study forms an important component of Metro's research program.

Given the consistency between the studies being undertaken by Metro and the City of Toronto, close liaison was maintained by both the steering committees and the consultant teams throughout the study process. A representative from the City of Toronto Main Streets office sat on both committees. Meetings were held between both study teams at periodic intervals to compare approaches and results. It is interesting to note, in fact, that there was a strong similarity in many of the findings of both teams, although there were also some clear differences, arising primarily from the greater automobile orientation of the suburban municipalities within Metro and the resulting impacts on the economic feasibility of certain forms of development.

It is widely recognized that the major roads of Metropolitan Toronto are important contributors to the form and function of the community, while at the same time serving as major arteries and focal points of residential communities. Essentially, there has been little change in the nature and role of these major roads for many years. Consistent with most major Ontario cities, Metro's major roads tend to be lined with low density, one to three storey buildings characterized primarily by exclusive retail, office or residential uses.

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[2] For ease of comprehension, the term "Metro" is used throughout the report in referring to the Municipality of Metropolitan Toronto.

Despite this lack of change, there has come a growing realization that major roads possess the potential to be important contributors to achieving many emerging community goals. Two of the most important of these goals are the retention and provision of residential accommodation (particularly affordable rental housing) and the on-going physical revitalization of the municipality. Indeed, there are many development initiatives throughout Metro which have resulted in fine examples of mixed-use residential/commercial developments along major roads.

The Municipality of Metropolitan Toronto has recognized the potential benefits of the concept of redevelopment along its major roads to accommodate additional housing units in mixed-use developments. This approach is part of their policy of increasing the population by 300,000 without creating an undue disturbance to stable residential areas.

In Metro, where vacant land for new residential development is scarce, where the cost of land is extremely high, where there is an urgent need to provide affordable residential accommodation, and where there are some areas with underutilized infrastructure, reconsidering the ways in which development has taken place in the past along Metro's major roads is very timely.

Not only can initiatives of this nature address the above issues, they can also greatly assist Metro in meeting the requirements of the Provincial Policy Statement on Housing and Land Use. That document requires Metro Toronto to provide for new residential development to meet its growth needs for a twenty year period; to plan for a range of housing types to meet the needs of all households in the community; to plan for at least 25% of all new development being affordable within the Provincial definition (affordable by the bottom 60th percentile of households) and to provide for residential intensification where there are demand, physical potential and services available.

Recognizing that solutions to these issues cannot be fully implemented at the Metro level, Metro Toronto nevertheless has a strong role to play in providing direction to area municipalities and housing providers in undertaking and encouraging such activity. Thus, this study will provide an important range of information to enable Metro to fulfill a leadership role in this regard.

Initial analysis carried out by the City of Toronto indicates that there are many potential economic constraints to residential intensification on main streets. Despite the fact that planning regulations generally allow the development industry to redevelop lands along major roads for mixed residential-commercial uses, the industry often has chosen not to adopt this approach.

Thus, it was intended that this study examine not only the economic feasibility of redeveloping land along major roads in this fashion, but also methods by which economic constraints can be overcome and approaches through which the concept can be marketed to encourage more private sector involvement.

1.2 Study Objectives

In order to address the above issues, Metro has undertaken this Metro Main Streets Economic Feasibility Study. The study is aimed at evaluating the economic feasibility of developing different kinds of sites for a variety of mixed residential/commercial building forms, examining current impediments to such development and considering financing alternatives and incentives to encourage more housing on major roads. It also is intended to provide recommendations respecting actions that Metro should take to support the implementation of the concept and to promote and market the concept to the development industry, area municipalities, non-profit housing providers and other appropriate groups.

1.3 Study Approach

A **case study** approach was used in this study. Five potential development sites were selected across Metro Toronto. One of these is located in each of the five participating area municipalities. (No site was used in the City of Toronto because they are conducting their own parallel study.) Each of these sites represents one of the most commonly found intensification opportunities along major roads.

Various mixed-use residential/commercial schemes were conceptually formulated for each site. In accordance with the purposes of the study, these all included buildings with five or fewer floors and focused mainly on affordable housing. Two or more schemes were examined on every site in order to explore some variation in density, development mix, parking arrangement or some other relevant factor.

These schemes were then analyzed from a financial viewpoint to determine whether they were economically feasible. This assessment was based upon standard financial procedures and assumptions. In every case, the schemes were adjusted in order to enhance their financial performance. Discussions were also held with experienced developers and real estate economists to obtain their input on the schemes and the evaluation.

To supplement the case studies, we also undertook a literature review to identify successful examples elsewhere and to determine those factors most responsible for this success. The full literature review is contained in a companion document to this report. A summary is contained in this report (see Chapter Two). Finally, we also outlined a marketing and promotional strategy through which Metro could help encourage the development of housing along major roads throughout Metropolitan Toronto.

The Steering Committee played a key role throughout the study. They provided strong direction for the work program, assisted in the identification and selection of sites and met on a regular basis throughout the study to discuss approaches and findings. The Committee carefully reviewed the draft of the final report and assisted in formulating recommendations for actions to be taken by Metro to support and promote housing along major roads.

1.4 Organization of this Report

This report is organized into eight key Chapters. **Chapter One** introduces the study and summarizes the study objectives and study approach. **Chapter Two** provides an outline of the findings of the literature review conducted as part of this study. **Chapter Three** reviews the methodology utilized to undertake the financial analysis of case studies and outlines the computer model developed and applied in the study. **Chapter Four** reviews the process utilized to select the sites comprising the case studies and provides a description of the development concepts being tested. **Chapter Five** provides a detailed discussion of the analysis carried out for each case study. For each case, we present a definition of the type of site being tested, a description of the site which was selected, a discussion of the planning regulations affecting the site and any constraints these create, an outline of the concept being tested, observations from the financial analysis, and findings and conclusions about the outcome. **Chapter Six** contains a detailed review of the regulatory framework in general and suggests changes which would help overcome identified constraints. **Chapter Seven** suggests a strategy for implementation, including ideas for marketing and promotion of the concept. **Chapter Eight** provides conclusions and recommendations for consideration.

Technical Appendices to this report provide Statistical Descriptions of the Design Options and full details of the Financial Analysis for each alternative.

2.0 BACKGROUND

To assist in determining the economic feasibility of the concept of housing along major roads, a review of recent literature on the subject was undertaken. A brief summary of the findings is presented below. The full literature review is available as a separate background report.

2.1 Historical Perspective

Literature on the subject of housing along major roads suggests that the main streets of communities tie together the physical characteristics, social activities and cultural resources of the immediate surroundings. Streets, in fact, are powerful tools for urban planning and design, in that they are bordered by buildings and characterized by a mix of shops, offices, restaurants and residences. They tend to shape the character and image of the urban fabric of a city.

Within Metropolitan Toronto, the major roads constitute an important component of the urban environment. They serve not only as major arteries, but as the focal points of the residential communities that surround them.

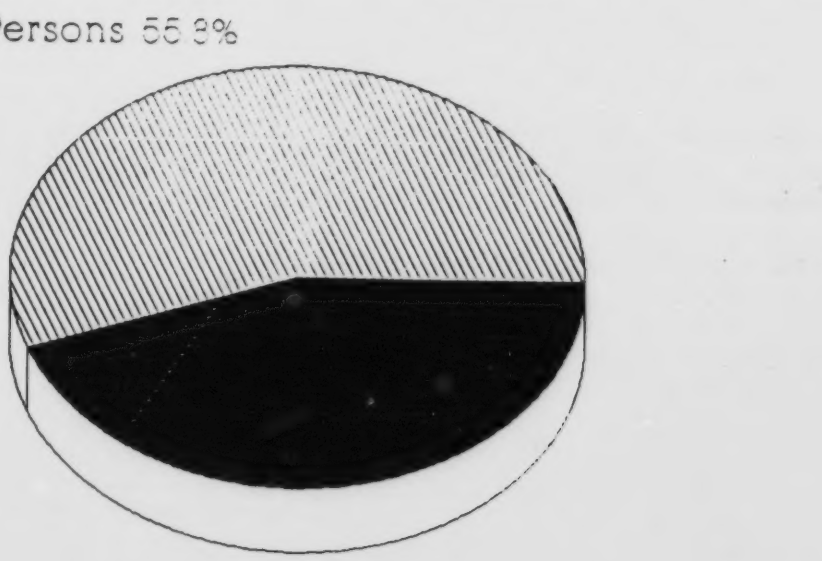
In the formative stages of Metro's history, there was a relative consistency in the physical scale, character and function of these roads. Typically, they were lined with low density two and three storey buildings built to the street edge. Retail storefronts were directly accessible from the sidewalk and upper storeys tended to contain residential rental apartments or offices. This form of development is still predominant within many areas of Metro, particularly the inner three municipalities (Toronto, York and East York).

Over the past several decades, however, Metro Toronto's urban form has evolved from this traditional mixed-use, street-oriented development pattern. The development of suburban low-density residential subdivisions thought to be amenable to the nuclear family changed the physiognomy of Metro. The diffused physical layout of suburban communities also altered the focus of the street. Suburban streets no longer encouraged the type of interaction found in earlier decades where people met and where places of residence, work, leisure and shopping converged.

The planning orientation of suburban communities was to segregate land uses. Major roads in these areas were planned and designed almost entirely as corridors for the efficient movement of automobile traffic, with little thought to the traditional dynamics of interacting uses. Residential areas were increasingly isolated from major arterial roads. The commercial and retail components of the community were generally developed in segregated nodes. Street retail uses became highly dependent on the automobile, and the strip mall fronted by surface parking became a widely repeated form of development along major roads throughout much of Metro.

The development pattern presents a difficult challenge for residential intensification on commercial lands. The prevailing relatively low intensity of development and the

Metropolitan Toronto
Persons per Households



Source: 1986 Census of Canada

segregation of uses now reinforces the dependence on the automobile. Therefore, any residential intensification must be accompanied by additional parking. This parking is difficult to provide at grade, and costly to provide underground.

On the other hand, the major roads in these areas are also characterized by a wide variety of low-rise and fragmented land uses and forms. These range from gas stations and grocery stores to retail strips and full scale shopping plazas surrounded by surface parking lots. At first look, all of these appear to offer an opportunity for at least some additional residential development. When taken in their entirety, this development could add enormously to the housing stock of the Metro area.

2.2 Housing on Major Roads in the Context of Metropolitan Toronto

Several factors point to the need for a steady increase in the supply of housing, particularly affordable rental housing, throughout Metro. Over the past decade, a substantial amount of rental housing stock has succumbed to various forms of conversion, particularly older affordable rental apartments. The rental vacancy rate has remained below 1% for a number of years. Rent levels have increased at a rate faster than income for most of the past decade. At the same time, the cost of home ownership has inflated dramatically since the mid-1980's, as both house prices and interest rates have risen steeply throughout Metro during this period.

Metro Council has adopted a staff report calling for a minimum population target of 2.5 million persons within Metro. This scenario requires the provision of about 300,000 additional units. Given the shortage of vacant land for residential development across Metro, approaches such as the provision of housing along major roads will become increasingly important over time in reaching the above goals. Should it prove feasible to provide such accommodation within the affordability limits set out in the Provincial Policy Statement on Housing and Land Use (i.e. affordable by the bottom 60th percentile of households), and to particularly emphasize rental accommodation in such developments, this approach will take on heightened importance.

At the same time, demographic trends in Metro show an increasing tendency toward smaller households. For example, within Metro, one and two person households now constitute 55.8% of all households. As this trend continues, the rationale for smaller units of the type typically found in mixed-use developments along major roads will become still stronger over time.

The Metro Planning Department Study on Housing Intensification points out that the aim of housing along major roads is the rekindling and improving of existing roads to maximize the relationship between transportation, housing and the working environment. Better use of urban land resources is a key goal that can be realized through this form of intensification.

In the context of Metropolitan Toronto, development of this nature could specifically assist in improving and revitalizing urban form, making better and more efficient use of hard and

soft services, increasing the availability of affordable home ownership and rental housing and enhancing retail commercial markets in such areas. The emphasis on low and medium rise forms of mixed-use would preserve the scale and character of surrounding residential areas.

2.3 Literature Review

The concept of mixed residential/commercial uses along major roads traces its roots to European cities such as London and Paris. Communities across North America are now also starting to pay greater attention to this form of development.

In 1985, a sample of 131 mixed-use development projects was studied by the Urban Land Institute. These included thirty-one Canadian examples. One of the most interesting approaches came from Kingston, Ontario. This is discussed below.

In the late 1970's, the City of Kingston completed a Commercial Opportunity Study which concluded that potential existed for the conversion of second storey vacant commercial space along major roads into residential dwelling units. The City adopted policies designed to provide additional units in existing vacant and substantially underutilized space on the second and third floor of buildings in the Central Business District.

In 1981, the City of Kingston established the **Loan Programme for the Conversion of Vacant Upstairs Commercial Space to Residential**; a loan programme thought to be unique in Ontario at the time. The programme provided financial assistance to individuals or groups wishing to create residential units in old buildings which might not have been converted otherwise due to the constraints of the Ontario Building Code and the municipal zoning bylaw. Assistance initially was made available in the form of loans of up to $15,000 per dwelling unit, to a maximum of two units.

The Programme proved quite effective in generating residential units in these spaces. The municipality benefitted in a number of ways, including the provision of additional affordable housing, the generation of additional assessment and the aesthetic improvement to main streets. Merchants in the area benefitted through an increased local market for their goods. All available funds were taken up and are now used in a revolving fund whereby the returning monies go to assist other similar projects. The concept has also given impetus for the building of additional floors up to five storeys in many buildings in the Downtown.

The major drawback has been a loss of retail parking space. However, the City has addressed this issue by providing a large parking facility in the Downtown.

The Programme to date has been successful in funding the development of some 40 residential units within the Downtown Commercial District. Encouraged by the success of the initiative, the City has recently increased the loan ceiling to $30,000 at 8% interest. Recent discussions with City officials indicate that this change has heightened interest among local developers and landlords and that an accelerated rate of development of this nature is now occurring.

The Provincial Convert-to-Rent Programme, in fact, has now followed many of the same general approaches as the above Programme, although funding levels are limited to $7,000. As will be later in this report, this limit acts as a severe constraint to the effective use of this Programme within Metro Toronto. However, there may be the potential for effective use of this Programme, if Metro were to provide matching funds and establish a similar initiative to the Kingston example.

2.4 Problems Encountered

A number of potential problems in the provision of housing along major roads have been identified in the literature. In any initiatives designed to encourage more successful development of this nature, Metro and its area municipalities must address these problems in order to generate the desired results. The most common difficulties identified in the literature can be summarized as follows:

- the high cost of land
- structural/building code constraints
- physical difficulties inherent in converting older commercial structures into mixed-use projects
- difficulties in estimating costs due to unforseen structural problems often associated with older structures
- constraints imposed by height and setback regulations
- difficulties in assembling land often belonging to multiple owners
- loss of privacy and increased crowding due to the mix of uses on individual sites
- difficulties in creating sufficient parking for both residential and commercial uses and in managing the use of both types of parking spaces
- possible neighbourhood opposition
- the lack of financial feasibility of some forms of mixed-use residential/commercial development

2.5 Implementation Approaches

The literature review found that a number of planning approaches have been used to help overcome the above problems in order to encourage the provision of housing in mixed-use developments along major roads. Some of these are outlined below.

- **Incentive Zoning**

  The literature showed that bonusing has been used in a number of municipalities to encourage the provision of residential space in commercial buildings. This can be applied upon approval by Council, based on accepted criteria regarding a range of planning standards.

- **Flexible Development Regulations**

  Many municipalities regulate development through strict bylaws and codes which effectively constrain many of the potential solutions for the provision of housing along major roads. Experience elsewhere has shown that a willingness of municipalities to operate in a more flexible manner with respect to aspects such as density controls, floor space ratios, as-of-right mixed-use designations and so on would do much to remove constraints discouraging the provision of housing along major roads.

- **Transfer of Air Rights**

  Every zoned lot contains an imaginary envelope of airspace which represents its maximum development potential. The transfer of air rights permits the transfer of the unutilized airspace or the development rights to an adjoining development. The literature indicated that this approach has the potential to encourage greater development activity of the type desired by the municipality.

- **Reduced Parking**

  Some major roads are directly served by rapid transit, yet often municipalities require the same parking standards as in areas without this level of transit service. The reduction of parking requirements for residential uses in such areas could reduce costs and encourage greater residential activity. The literature showed that municipalities have, from time to time, reduced parking requirements in areas well served by transit or for special forms of housing (eg. non-profit apartments), thereby enhancing the financial feasibility of housing along major roads.

- **Special Parking Areas**

  In order to ensure that parking requirements do not discourage the provision of housing along major roads, some municipalities (such as Kingston) have built parking structures or set aside special parking areas near the residences. This approach has

enabled residents to have access to appropriate parking without interfering with the retail/commercial functions in mixed-use areas along major roads.

- **"Main Streets" Office**

  Some municipalities interested in encouraging the provision of housing along major roads, such as the City of Toronto, have undertaken Housing on Main Streets initiatives to study and promote the concept and facilitate its development.

  There is a strong rationale for Metro to establish an Office of this nature to encourage housing along major roads. By close co-ordination with area municipalities, Metro could provide a central source of information and advice on the economics of development of medium-rise mixed use projects along major roads, on local planning regulations, on suitable design concepts, on parking provisions, on funding programmes and other such aspects.

  Such an initiative would be highly consistent with the recommendations arising from the **Preliminary Report on Joint Metropolitan Toronto-Area Municipal Housing Initiatives**, released in June, 1990. These recommendations essentially set out approaches whereby Metro would play a key co-ordinating role in facilitating the provision of affordable housing across Metropolitan Toronto. Recommendation 13, in fact, suggests that the Main Streets development initiative be given support through demonstration programs, zoning regulations, policy tools and incentives. A Metro Main Streets Office would be a highly effective tool in helping implement this recommendation and in meeting the objectives of the Joint Housing Initiatives Report.

- **Funding Programmes**

  Special incentive programmes such as the Convert-to-Rent Programme, the Kingston Residential Conversion Programme and the establishment of revolving loan funds can prove effective in encouraging the conversion of non-residential space in commercial structures to residential along major roads. Metro has, from time to time, operated such special funds, such as the revolving fund currently in use to help non-profit housing groups secure sites. Thus, there would appear to be both the rationale and the precedent for considering a fund of this nature for encouraging the provision of housing along major roads.

2.6 Conclusions from the Literature

The literature has shown that many benefits can indeed by realized by communities adopting appropriate policies to encourage the provision of housing along major roads. These include:

- the creation of additional housing in areas faced with shortages of vacant residential lands;

- the provision of more affordable units;
- increased markets for merchants in commercial areas;
- increased assessment for the municipality;
- increased use of underutilized structures and service infrastructure in some areas;
- improvements in the relationship and proximity of places of employment and residence;
- general improvements to the physical environment of commercial areas.

The literature has also shown that suburban municipalities pose a unique challenge which differs considerably from the inner city. The dependence on the automobile and the vast diversity of land uses and building forms found along major roads of suburban municipalities require solutions that may not be suitable in inner city areas.

While a number of problems are inherent in the development of mixed-use projects along major roads, a range of useful approaches have been adopted in a number of communities to help overcome identified constraints and encourage a greater range of activity. Many of these approaches are quite suited to the Metro Toronto situation and should be considered.

Later sections of this report combine the findings of the literature review with the findings of the case studies to derive the most appropriate strategy for Metro to pursue with respect to encouraging the provision of housing in mixed-use buildings under six storeys along major Metropolitan roads.

3.0 FINANCIAL ANALYSIS - DEVELOPMENT MODEL, MAJOR INPUTS AND ASSUMPTIONS

In order to examine the economic feasibility of medium-rise mixed-use projects along major roads of Metro, a series of development scenarios were formulated on five different sites (one in each area municipality outside of the City of Toronto) and tested in terms of potential financial returns. This section explains the methodology used to carry out these tests. Later sections of the report describe the scenarios that were formulated and the results that were achieved.

The financial feasibility analyses of the development scenarios were carried out using a LOTUS-based Real Estate Development Pro-Forma computer model, developed as part of the study. The model uses development costs (ie. construction costs, financing charges) and other parameters (ie. construction period, rental rates) as inputs with the outputs being the financial analysis (ie. rates of return, created value). The inputs can be varied as in a sensitivity analysis to show the effects on the financial viability of the project of different building designs, real estate uses, development densities, dwelling unit types and land costs.

Printouts of the financial analysis are contained in Appendix II. The unshaded areas of the printout contain data inputs while the shaded areas contain intermediate results and outputs calculated through formulas built into the model.

Inputs and assumptions used in the Model were derived from sources in the real estate industry as well as our own internal data base developed from our work in this field. These are outlined below.

3.1 Development Timing

Development timing was used in calculating interest costs in holding the site until development, and in interim financing costs during the construction and marketing phases.

Average times to start and complete each project depending on project size were estimated, including time for:

- planning (assumes no serious rezoning problems)
- construction
- lease up/marketing

3.2 Land Costs

The purchase price of the site, holding costs less holding income and costs to ready the site for development (including demolition, planning and zoning costs) are input here.

Information was obtained from developers and real estate appraisers on land values on a per square foot of site or per square foot of building basis for our selected locations. The values used were as follows:

-	Neighbourhood commercial space	$30-50/sq. ft. buildable
-	Community commercial space	$55-70/sq. ft. buildable
-	Rental apartments	$20-30/sq. ft. buildable
-	Condominium apartments	$25-35/sq. ft. buildable
-	Gas Station sites	$40-50/sq. ft. of site

3.2.1 Treatment of Land Costs

Land cost is one of five major variables in the financial analysis of a real estate project. These variables include:

- land (cost, size, location, zoning, etc.)
- construction costs
- interest rates
- rental rates/sale prices
- market conditions (o.e. supply/demand conditions)

The price of land rises as rental rates and sale prices rise and economic activity increases and falls as interest rates rise or rental rates and economic activity decline.

The price paid for a site depends on all of the above, as well as the developer's perception of the development potential of the site. Any change in perceived use such as a zoning or density change consistent with the location and market conditions will affect the site value. One of the goals of a developer is to find and buy a site which can be developed with a more intense use than the market perceives that the site would support.

All of the sites used in the study are commercial sites with a commercial value per sq. ft. buildable depending on the density permitted by zoning and market conditions. Where the market perceives that residential uses can be accommodated on the site as well, the land value per sq. ft. buildable of residential is added to the site. Thus, on most sites where adding additional residential storeys to existing commercial space is considered, the land value will rise where appropriate; thereby creating an additional cost input which must be taken into account. Of course, on sites developed by the existing owner, adding residential units to existing commercial space will increase the value of the site and create additional returns, thereby creating a further incentive to undertake such activity.

3.3 Construction Costs

These are known as "Hard Costs" - the bricks and mortar of a development and are usually expressed as cost per square foot.

Construction cost information was obtained from private developers as well as our own files on costs for various forms of residential development. The values used are as follows:

- Retail	$50-60/sq. ft.
- Suburban Office	$80/sq. ft.
- Non-Profit/Affordable Rental	$75-80/sq. ft.
- Affordable Condominiums	$85/sq. ft.
- Luxury Condominiums	$100/sq. ft.

Virtually all of the development schemes considered use similar dimensions for the typical depth and size of residential, retail and office uses. These dimensions are based upon those now conventionally used in developments of this nature.

Retail

- Store frontage 6m (20 ft.)
  Store depth 18-20m (60-65 ft.)

Office

- Building depth for double loaded corridor 14-15 m (45 -50 ft.)

Residential

- Building depth for double loaded corridor 18 m (60 ft.)
- Structural bay 6m (20 ft.)
- Maximum building length 66-80 m (220-260 ft.)

Unit Sizes	Net	Gross
1 Bedroom	51 m2 (550 sq. ft.)	58 m2 (625 sq. ft.)
2 Bedroom	70 m2 (750 sq. ft.)	79 m2 (850 sq. ft.)

3.4 Soft Costs

These consist of a wide range of development costs, primarily professional fees (eg. architects, engineers, planners, legal, etc.), commissions and interim financing.

These are computed using industry averages and are usually based on a percentage of total building costs, percentage of net rental income or the standard sales commission structure for the Metro area.

3.5 Project Financing

This section calculates the size of mortgage that could be supported by the projected net income of the project. The net income is divided by the Debt Service Ratio to estimate the amount of building revenue that could be used as mortgage payments. Formulas then generate the principal amount of the mortgage.

Development activity usually declines as interest rates rise. It is generally the experience of the development industry that when rates climb beyond about 13-14%, there is a significant financial constraint on new development, as the revenue structure of the market typically will not generate sufficient revenue to secure a large enough mortgage on the completed project, causing the developer to contribute an excessive amount of cash equity. Such cash inputs are generally beyond most developers, particularly smaller developers and landlords to whom the concept of housing along major roads would most likely be directed. However, as noted earlier, where the land is already in the possession of such an owner, its value can represent a significant portion of the equity required to undertake such a development; therefore, in such situations the rate of interest may not pose as severe a constraint as in situations where sites must be assembled.

Given the constraints imposed by interest rates, we assumed in the model that development of any of these projects generally would not proceed unless mortgage rates were at a suitable level. This we assumed to be 11% on permanent financing, 12% on land purchase and 13% on interim financing.

3.6 Project Income

This is estimated using current market rates for each type of real estate. With regard to rental scenarios, income is based on a net rent per square foot per year basis for commercial uses and on a gross monthly rental rate for residential units. Escalations are used to show what the project would earn in the sixth year when commercial and annually renewed residential leases typically come up for renewal. Deductions are made for vacancies and landlord operating costs (ie. heating, property taxes) on vacant space to arrive at Net Income.

Rental rates are set at the current market rents observed for each type of real estate depending on location and the type and size of the project.

- Retail $18-$25 per sq. ft. net
- Office $14-$18 per sq. ft. net
- Apartments - 1 Bedroom $800-$875 per month gross
  - 2 Bedroom $950-$1050 per month gross
- Parking - Varies by type of parking and type and location of project.

A few scenarios test the financial feasibility of condominium units. Sales prices for such units are based on a cost per sq. ft.

- Luxury Condos $300 per sq. ft.
- Affordable Condos - $157,500 per unit maximum (the current (1990) upper ceiling of the Provincial Policy Statement on Housing)

As in the case of interest rates, we assumed that market conditions are generally in balance and are favourable for the development of the types of real estate suggested; that is, there are not very high vacancy rates for retail, office or residential space which would severely lower rental rates, lengthen the lease-up process or inhibit the development of any of the projects under consideration. Similarly, we assumed that there was not a glut of condominium units on the market which restrict the rate of sale of new units and lower sale prices.

3.7 Investment Analysis

This section analyzes the financial feasibility of the project by presenting the various rates of return calculations and values created.

The Model then performs a comparative analysis between the overall project and the commercial and residential portions. While the split is somewhat approximate, it does show within acceptable margins the relative contributions to the project of the commercial and residential components.

Three measures are used in the analysis:

- **Overall Rate of Return** measures the rate of return on the investment. This is determined by dividing the net income the project earns by the total cost of the project.

- **Return on Cash** measures the rate of return on the developer's cash investment. This is calculated by dividing the cash income the project earns (net income less mortgage payments) by the amount of cash (total development cost less the mortgage) that the developer has invested.

- **Created Value or Profit** measures the ratio of net value created (the completed project value less the total development cost) divided by the total development cost. The completed project value is calculated by dividing the net income of the project by the capitalization rate (the rate of return the market would want if it purchased the project). Capitalization rates are obtained from a quarterly survey of capitalization rates done by a leading real estate appraisal firm.

These measures are considered by the development industry to be key indicators of financial feasibility. A project should satisfy all three measures to be considered financially feasible.

TABLE3.1
Maximum Unit Prices, Metropolitan Toronto

o **Family Accommodation**

1. **Row House**

2 Bed	3 Bed
$161,000	$170,000

2. **Stacked Row House**

1 Bed	2 Bed	3 Bed
$136,000	$148,000	$158,000

3. **Apartment - 3 Storeys or Less**

1 Bed	2 Bed	3 Bed
$124,000	$138,000	$150,000

4. **Apartment - Over 3 Storeys**

1 Bed	2 Bed	3 Bed
$135,000	$152,000	$162,000

o **Seniors/Singles/Specials**

1 Bed	2 Bed
$122,000	$130,000

Source: Ministry of Housing

While there is a range of opinion among financial analysts and real estate developers on acceptable rates of return, we have used the following as minimum acceptable returns, based on discussions with several knowledgable real estate practitioners.

- Overall Return First Year 9-10%
- Return on Cash First Year 6-7%
- Created Value 20-25%
- Sale Profit (condominiums) 15-20%

It must be emphasized that these criteria are not absolute; that is, some developers and landowners may still proceed with a development for a variety of reasons, even if it does not meet all of the above conditions. Nevertheless, these measures are considered by the development industry to be key indicators of financial feasibility and are therefore utilized in our tests of the various scenarios.

3.8 Non-Profit Housing Criteria

An analysis of the five sites was also carried out to determine their financial feasibility under the Ontario Non-Profit Housing Program. Under this Program, a project is financially feasible if it can be developed within published capital cost ceilings called "Maximum Unit Prices" (M.U.P.'s). These MUP's vary according to structure type, target group (eg. seniors vs. families, etc.) and location.

For Metropolitan Toronto, the MUP's currently (1990) in effect are shown in Table 3.1 (opposite)

An additional maximum of 12% is permitted for any unit designed to accommodate a physically disabled individual requiring a wheelchair. Additional M.U.P. 's are also published for hostels and other highly specialized forms of housing, but these have not been included in this study.

The floor space in typical non-profit housing apartments generally corresponds well to that utilized in our models. Thus, to determine the financial feasibility of the case studies, the total residential capital cost per unit can be compared to the appropriate M.U.P. category. This is done in the analysis for each development scheme.

It should be noted that the operating costs of non-profit developments need not be considered in this financial analysis. Once the capital costs of a project are approved by the Ministry of Housing, the Non-Profit Housing Program provides guaranteed subsidies to support the operation of the residential component of the development.

4.0 SITE SELECTION AND DEVELOPMENT CONCEPTS

4.1 Selection Criteria

In order to carry out the financial analysis of various mixed-use development scenarios, the consultants were required to identify and utilize five appropriate sites along arterial roads in the Metro area. All of the sites had to be capable of accommodating residential intensification in some form of mixed-used development. The maximum height of the development was set at five storeys. Both retail and residential uses were in all projects with offices included where market conditions warranted.

The site selection process involved visiting and examining a wide range of possible sites across Metro. These sites included 21 candidates suggested by the Metro staff, drawing upon input form the planners of the area municipalities. They also included a number of other possibilities subsequently added by the consultants to fill out the options. The final selection was made jointly by the Steering Committee and the consultants.

The following criteria were used to select the sites:

1) One of the sites should be located in each of the five municipalities outside of the City of Toronto; i.e. East York, Etobicoke, Scarborough, North York and York. The City of Toronto was not included because it was conducting a separate and parallel study.

2) The sites should have unrealized housing development potential. This essentially meant they should have vacant land and/or under-utilized single-storey development where higher forms were possible. The sites also should be associated with existing housing areas in order to provide an appropriate living environment.

3) They should represent the most typical development possibilities across Metro Toronto. The most representative opportunities were identified in the course of the selection. This is discussed shortly.

4) The housing possibilities should focus primarily on the tenure options at the more affordable market spectrum. These include affordable private rental, assisted rental, and condominium. However, luxury condominiums were also considered in order to test for all ranges of housing possible on such sites.

5) They should focus mainly on modestly-sized parcels that are capable of development by smaller private developers and/or landowners. For this reason, sites involving multiple ownership were eliminated because of the probable difficulty of acquiring a reasonable development parcel. Also, sites needing public involvement or support, or requiring the developer to make a major initiative in transforming an area, were ruled out.

As noted, in the process of examining the different sites, consideration was given to what were the most representative development opportunities occurring across Metro, in order to identify those cases with the greatest potential. The following five case-types were identified as being the most typical and widespread possibilities that met the objectives of the study.

1) **corner retail sites:** These sites are most characterized by filling stations, but there also are many examples of banks and other single-storey uses on this type of site. The selections process looked at those with sufficient depth to accommodate conventional shops as well as surface parking. Because access to these sites could be restricted at major arterial-to-arterial intersections, it also focused on those next to a secondary road. It was assumed that these sites would involve redevelopment.

2) **mid-block retail sites:** These are counterparts to the corner sites, but are located internally within the block. Typical uses include supermarkets as well as care dealerships, workshops and various distribution/service centres. Depending upon the location and type, some of these have parking either around or behind the building. Again, it was assumed that these sites would involve redevelopment.

3) **retail strips:** This group refers to that prevalent form of small car-oriented shopping strip, typically under single ownership with a dozen or more shops and fronted by off-street parking. Some include second-storey apartments that could be developed more intensively; these were not selected because of concerns about the appropriateness (and the legal feasibility within the current legislative environment) of demolishing existing affordable housing stock. It was assumed that intensification would require the redevelopment of the site, although there is the possibility (not explored in this study) of providing new housing over existing shops on-site.

4) **retail plazas:** These are somewhat larger shopping complexes containing 20 or more single-storey shops sometimes set out in an L-shaped configuration, anchored by a supermarket and with an expansive parking area facing the street. It was appreciated that total redevelopment was a possibility for many of these plazas--especially the older ones. However, for the purposes of this study, what was considered more relevant was retaining the existing commercial structures and infilling part of the parking area. In addition to making better use of the site, the additional development could also integrate such plazas with the surrounding streetscape. This sort of infilling clearly depends on providing sufficient surface parking.

5) **high-rise residential infill sites:** This category includes those many free-standing apartment towers built well back from the street. The front yards of these structures are often poorly landscaped, and serve only to break the continuity of the development along the street. Many appear to offer an opportunity for infilling along the street, without disturbing the existing structure. In addition to providing more housing, this sort of development would enhance the streetscape. Like the previous infilling opportunity, this type of development will be subject to satisfying parking and other standards.

Following a careful examination of each of the sites initially identified, five were selected that met all of the selection criteria and provided opportunities to study each of the five case-types noted above. (see Figures 4.1 through 4.5).

The terms of reference also suggested other possibilities that were not pursued for various reasons.

a) **street-related retail strips:** This includes those strips of individually-owned shops set close to the street that typify most inner core areas. The parallel study by the City Toronto is looking at the intensification potential for the various typical shop sizes within these strips. Entire strips appear to have limited potential for additional development, because they are too difficult to acquire as a consolidated parcel and generally do not provide on-site parking. For these reasons, this type of retail strip- whether as individual shops or as a larger group -- was not considered appropriate for study.

b) **single family residential sites:** There are many examples of large residential properties facing arterial roads suitable for mixed-use redevelopment. Because these sites do not offer any special or unique problems that are not already well-understood by the development industry, it was considered that the limited resources of this study could be better used examining other opportunities less well known. Therefore, these sites were not included in the study.

c) **industrial sites:** Again, there are many opportunities of this type here, however; no suitable sites were identified by the planners. The consultants were reluctant to identify sites because of the potential conflict with municipal policies calling for retaining such industrial lands. Again, it was considered that the study resources could be better used elsewhere.

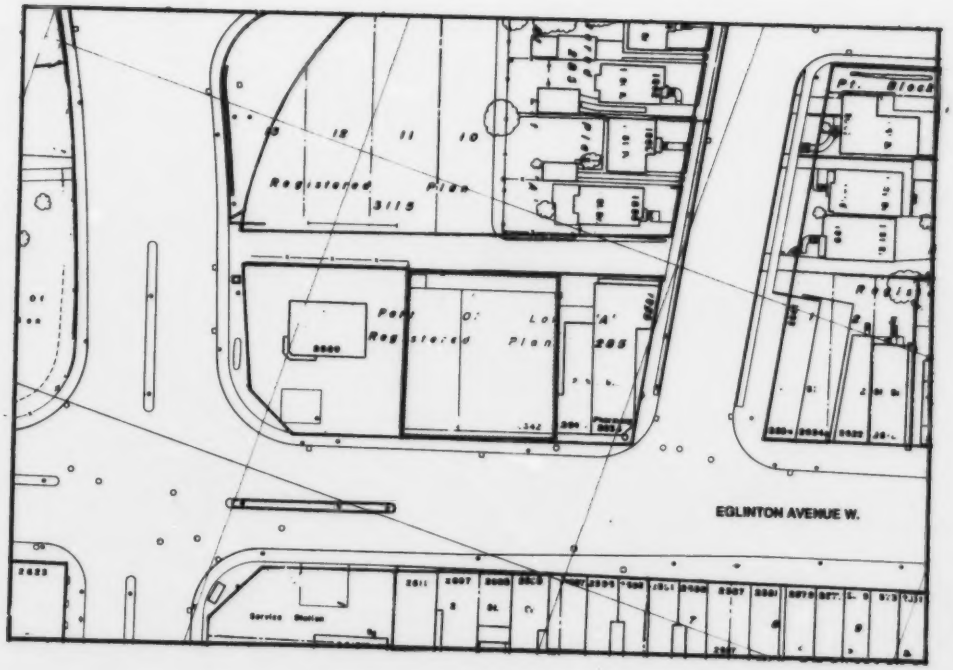
4.2 Designs Principles

As noted earlier, the purpose of the study is to assess the economics of accommodating residential intensification in some form of mixed-used development along major roads in Metro. To provide the development data needed for this assessment, typical mixed-use schemes were designed to a conceptual level of detail for each of the five selected sites.

In all cases, these schemes include residential over ground-level retail uses. In some cases, offices also were included where there was considered to be a demand.

The maximum height for development was set at 5 storeys. Various heights were explored within this limit for the different sites. The heights in the first place, were selected to reflect the scale of the local street and neighbourhood, and the potential provided by the particular site. However, these were varied in some cases to test the impact of different mixes of uses, scales of development and arrangements for parking.

EXISTING
SITE PHOTO



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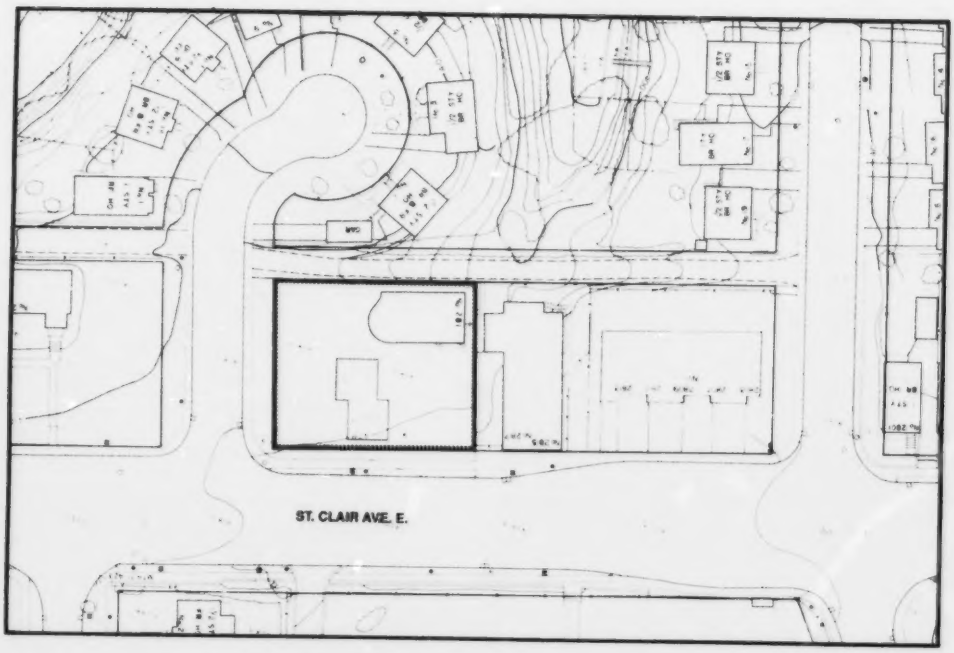
EXISTING
SITE PLAN

FIGURE 4.1: SMALL MID-BLOCK RETAIL SITE

EXISTING
SITE PHOTO



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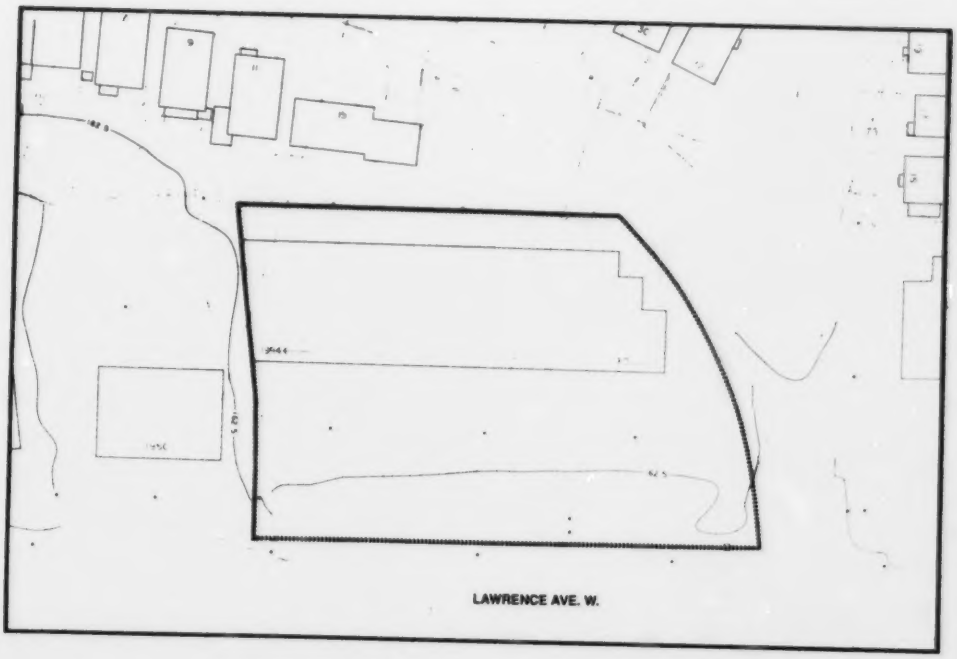
EXISTING
SITE PLAN

FIGURE 4.2: SMALL CORNER RETAIL SITE

EXISTING
SITE PHOTO



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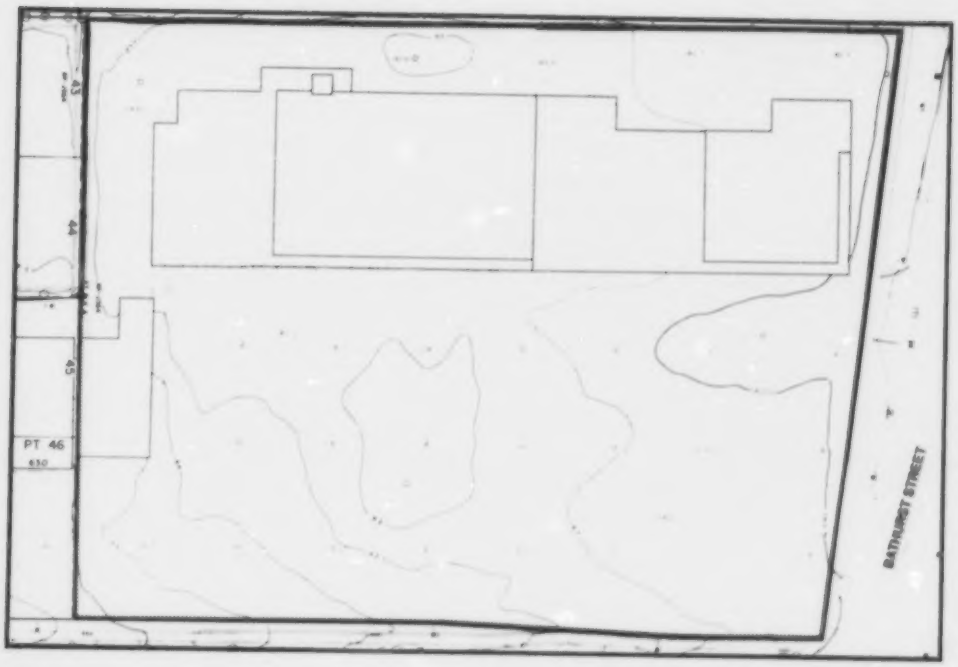
EXISTING
SITE PLAN

FIGURE 4.3: MID-SIZED RETAIL STRIP

EXISTING
SITE PHOTO



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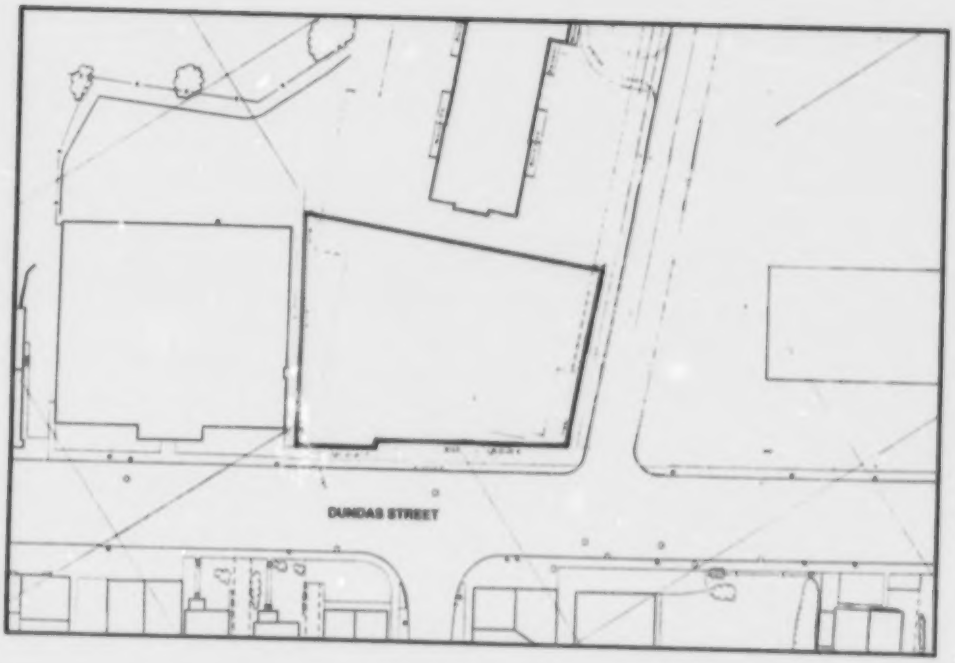
EXISTING
SITE PLAN

FIGURE 4.4: LARGE RETAIL PLAZA

EXISTING
SITE PHOTO



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EXISTING
SITE PLAN

FIGURE 4.5: SMALL HIGH-RISE RESIDENTIAL INFILL SITE

None of these schemes fully conform to the existing zoning by-laws. Based upon discussions with planners in each of the area municipalities (all of whom expressed support in principle for such developments), it was assumed that site-specific zoning would be needed in every case. (See Section 6 for a thorough review of the current municipal regulations with regard to these sites.) One of our recommendations, in fact, is for Metro to encourage area municipalities to develop zoning categories which would permit developments of this nature as-of-right in order to facilitate and accelerate the approval process.

The parking provision in these schemes does not always match the parking requirement in the Zoning By-Law. At this stage, only a rough equivalency was sought. These would be matched at a later stage by a more careful design of the parking layouts, and by adjusting the housing mix and the built space.

One of the key considerations of this study was to determine what would be required of municipalities, usually in terms of zoning variances and a relaxation of parking requirements, in order to better encourage residential intensification of this nature. The financial analysis for each site took into account suitably revised standards to test the impact of such changes on the financial feasibility of various development scenarios.

All of the design schemes, like the subsequent financial analysis, represent a "first-cut" at these projects. All of the schemes could be "fine-tuned". This normally would be done in a second round of assessment, but only on those schemes that revealed potential financial viability in this first assessment.

All of the development schemes virtually are based upon the same standard dimensions now typically used in the building industry. The buildings reflect a standard structural bay of 6 m (20 ft), except in the single "luxury"condo example when this was increased to 7.2 m (24 ft). The dimensions used for the building depth of the various uses are these:

- o 18-20 m (60 - 65 ft) for the retail stores
- o 18 m (60 ft) for the residential space, which assumes a double-loaded corridor.
- o 14-15 m (45 -50 ft) depth for the office space, which also assume a double-loaded corridor. (This was increased to 18 m when incorporated in a residential building).

The schemes are based solely on one and two bedroom units. The average unit sizes are 51 m2 (550 ft2) net or 58 m2 (625 ft2) gross for the 1 bedroom units, and 70 m2 (750 ft2) net or 79 m2 (850 ft2) gross for the 2 bedroom units. The only exception is the "luxury" example, where the average figures are 20% higher. In general, the mix used in the various schemes tended to maximize the number of two bedroom units as a means of reducing the parking requirements.

5.0 FINANCIAL ANALYSIS - CASE STUDIES

Below we present the results of the financial analysis of the case studies. In keeping with the intent of Metro's initiative to encourage the production of affordable housing primarily by small developers and landlords, the majority of cases utilize data for private rental apartments of modest size and cost. In addition, an analysis of the feasibility of non-profit housing development is carried out for each site. Some cases were also run to test the feasibility of ownership (condominium) units on some sites, both for "affordable" and "luxury" cases.

Following initial design work and financial feasibility analysis, we found that **a number of types of mixed-use developments provided acceptable financial returns**. Generally, **smaller scale developments** (groundfloor retail with one or two storeys of walk-up rental apartments) yielded the most attractive results, particularly where parking can be provided at grade. Similarly, both the **affordable and luxury condominium** examples proved feasible. Also proving attractive was the case of **mixed-use infill development on unused land within existing high rise apartment sites**, as the land is essentially "free", given its previous status as landscaped open space. In addition, most cases also proved financially feasible for the development of **non-profit housing**, as government capital cost ceilings (M.U.P.'s) can generally be met with this form of development and operating costs can be met through the subsidies available under the Non-Profit Housing Program.

Those cases resulting in negative or unacceptable returns tended to be the medium-scale (4-5 storey) examples. These examples tend to present the worst possible combination to developers; that is, they are large enough that they require expensive underground parking, non-combustible development standards, and costly facilities such as elevators. Yet the density is insufficient to provide the economies of scale which can be realized in high rise forms of development. Private market rents are simply insufficient to generate the revenues required to cover the costs of development, even with the cost savings provided by spreading land costs across both commercial and residential components of mixed-use projects.

Below we present the results of the financial analysis carried out for each site.

5.1 Small Mid-Block Retail Site

The development schemes proposed for this site show the effect of parking requirements on constrained "inner city" sites which are not large enough to provide surface parking except for retail use.

5.1.1 Site Description

The site is a 9,687 sq. ft. mid block parcel on Eglinton Avenue West in the City of York and is currently occupied by a single storey food store. The building is adjoined by buildings on one side with rear access via a laneway. Eglinton Avenue along this length is a continuous shopping strip with three storey buildings abutting the public sidewalk. The upper storeys are generally walk-up offices or apartments.

TABLE 5.1

SUMMARY OF DEVELOPMENT STATISTICS FOR THE CONCEPT SCHEMES

Options:	East York: A	East York: B	Etobicoke: A	Etobicoke: B	North York: A*	North York: B*	Scarborough: A	Scarborough: B	Scarborough: C	Scarborough: D	Scarborough: E	York: A	York: B
Site Area ha	0.11	0.11	0.19	0.19	0.24	0.24	0.57	0.57	0.57	0.57	0.57	0.09	0.09**
Gross Floor Area m2													
retail	640	720	1010	1010	950	960	1880	1880	1520	1520	2220	530	530
office	0	0	950	0	0	0	0	0	0	0	2700	0	0
housing	720	1410	1930	2860	3690	3740	0	1425	1850	5660	2960	1630	1630
total	1360	2130	3890	3870	4640	4700	1880	3305	4370	7180	7880	2160	2160
FSI	1.23	1.94	2.05	2.05	1.95	1.96	0.33	0.58	0.77	1.26	1.38	2.40	2.40**
Dwelling Units													
1 bedroom	4	8	16	24	12	12		1	2	4	3	6	6
2 bedroom	6	12	12	18	28	36		16	32	64	33	15	15
total	10	20	28	42	40	48	0	17	34	68	36	21	21
Required Parking													
retail	14	15	21	21	34	34	57	57	46	46	67	11	11
office	0	0	20	0	0	0	0	0	0	0	82	0	0
housing	10	20	28	46	40	48	0	19	37	75	40	26	26
total	24	35	69***	63***	74	82	57	76	83	121	189	37	37
Provided Parking													
surface	25	12	24	24	34	34	96	96	92	92	65	8	10+26**
underground	0	23	45	45	40	48	0	0	0	26	124	26	0
	25	35	69	69	74	82	96	96	92	118	189	34	10+26

* These figures do not include the 4240 m2 of the existing retail and 710 m2 of existing offices. In total, the site covers 1.69 ha, giving a FSI of 0.51 with the additional development. The total number of surface space available would be about 214, while 211 would be required.

** These figures assume that the residential parking (26 spaces) is provided off-site.

*** These figures are based upon a reduced parking standard.

5.1.2 Development Concepts

Two schemes were examined on this site (See Figures 5.1 and 5.2, and Table 5.1). Both have three floors of apartments over ground floor retail space. Only limited surface parking can be provided in the rear; this is nearly sufficient for the commercial requirement but not for any of the residential requirement.

The difference between the schemes is in how the residential parking is provided. Scheme A provides the required residential parking underground. Scheme B provides no on-site residential parking, assuming for the sake of this analysis that it can be accommodated elsewhere in a municipal or private parking lot or by street parking.

5.1.3 Zoning and Planning

Both the Official Plan and Zoning By-law in York make provision for mixed-use commercial and residential projects. In the OP, the specific site is designated "Mixed Commercial and Residential", which allows for a combination of commercial and residential. In the zoning by-law, it is designated "General Commercial", which allows dwelling units in a commercial building.

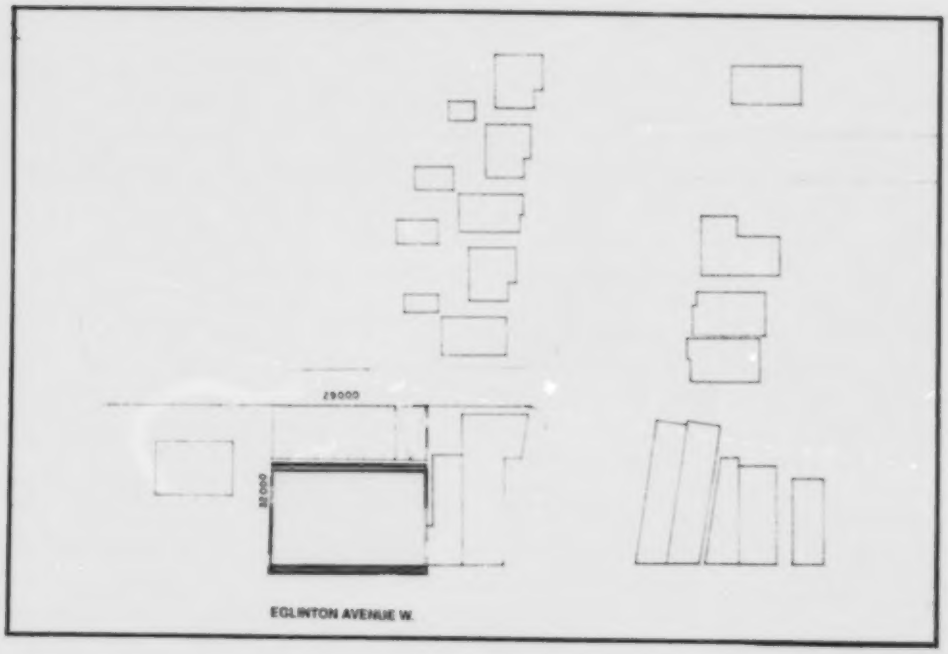
The zoning sets various controls upon development, including a maximum height that is the equivalent of approximately five storeys, a maximum overall density based on a FSI of 3.0, and maximum density for the residential component only of a 1.0 FSI or 124 units per hectare (50 units/acre).

The limit on residential uses is restrictive. The concepts, which have only three storeys of housing over retail, have an overall FSI of 2.4, and a residential density of 1.8 and 233 dw/ha (94 dw/a). This limit essentially means only a floor and a half of housing can be provided on the site.

The parking standards in York are 1.25 spaces per residential unit, and 1 space per 47 m2 of retail. In comparison with other municipalities across Metro, the residential standard is high, while the retail standard is consistent with the others. It should be noted that the municipality allows reductions in the commercial parking requirement, if warranted "by reason of siting, location or design." Also, this requirement may be deleted if an equivalent cash contribution is made to the Parking Authority.

The residential parking on this site can be accommodated only by going underground. The retail requirement, which should be accommodated at grade, cannot be fully accommodated because of the relative shallowness of the site.

In summary, the schemes would be compatible with the current OP policies, but not with the more detailed zoning controls on residential density.



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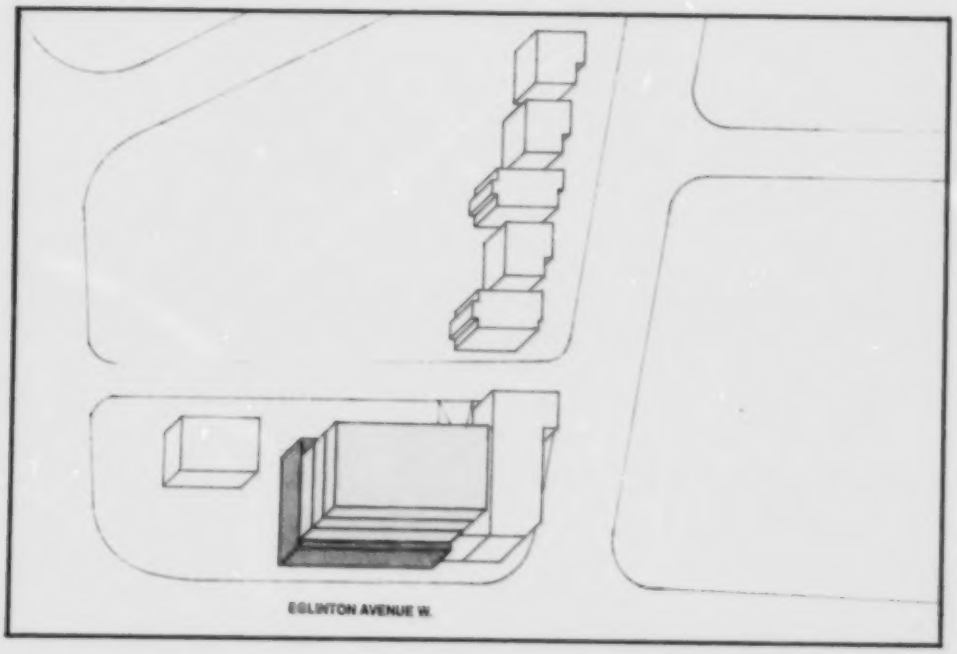
PROPOSED SITE PLAN



Residential

Office

Commercial

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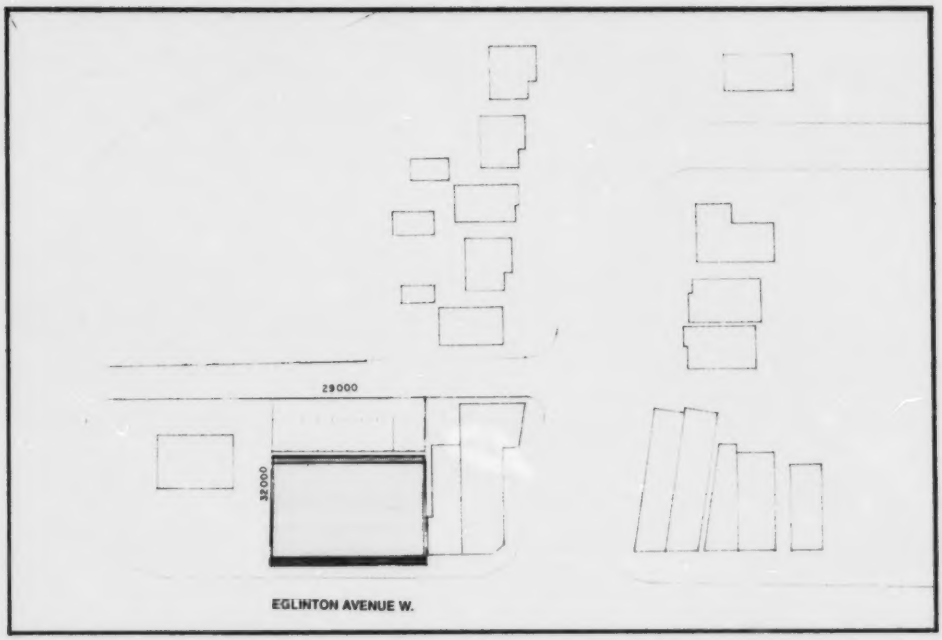
PROPOSED BUILT FORM

FIGURE 5.1: SMALL MID-BLOCK RETAIL SITE CONCEPT A



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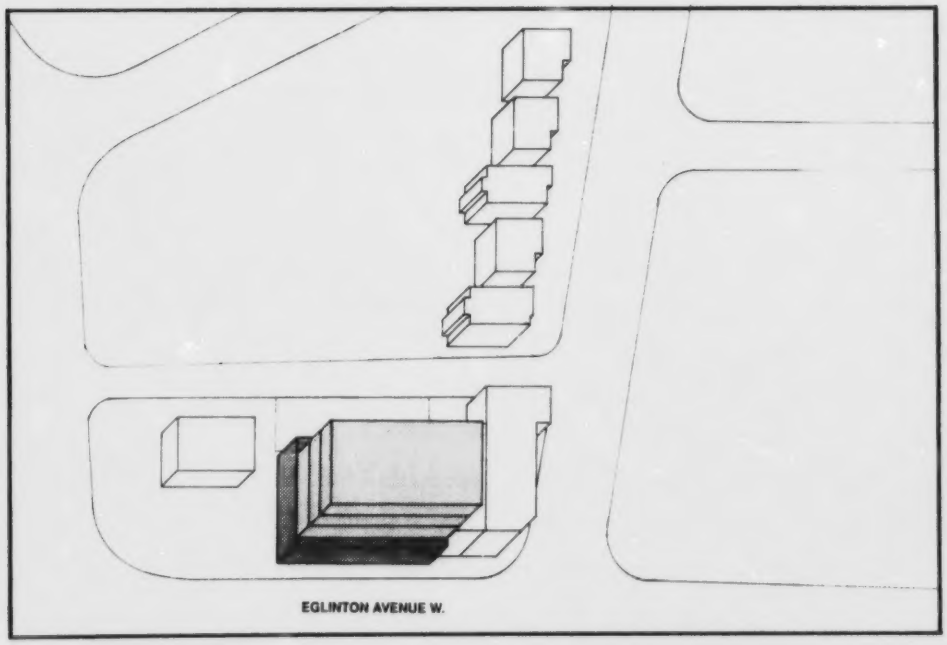
PROPOSED SITE PLAN



Residential

Office

Commercial

Scale 1:1250

PROPOSED BUILT FORM

FIGURE 5.2: SMALL MID-BLOCK RETAIL SITE CONCEPT B

5.1.4 Financial Analysis

Scheme A (with underground parking) yields an Overall Rate of Return of 9.1%, a Return on Cash of 4.4% and a Created Value of 6.8%. The latter two are well below the pre-defined acceptable limits.

In Scheme B, with all of the residential parking (26 spaces) provided off-site the savings from not building the underground garage total $517,000. This savings increases the Overall Rate of Return to 10.4%, the Return on Cash to 6.9% and Created Value to 22.3%. These are within the acceptable limits.

The returns rise substantially in the second scheme, largely due to the economics of underground parking. At a cost of at least $15,000 per underground space, an apartment tenant would be required to pay at least $150 per month to cover the cost of providing the parking. A typical 1,500 sq. ft. retail tenant requiring three spaces per 1,000 sq. ft. of floor space would find his rent increased by $4.50 net per sq. ft. In both cases these are very large increases which the market would not bear.

Because the underground parking could not cover the cost of its development, it could not be financed (mortgaged) to any great extent; therefore, most of the cost must be paid by the developer's cash, thereby severely lowering the Return on Cash. Because the underground parking contributes little to net income, capitalizing this net income creates little value, resulting in a low rate of created value.

5.1.5 Non-Profit Housing Analysis

The non-profit housing analysis for this site indicates that either scheme likely would be financially feasible under this program. In the first scheme, which includes underground parking, the total capital cost for the residential component is $2,138,474, or $101,832 per unit. This is well below the M.U.P. for the type of development and for either family or single/senior target groups. Similarly, the total residential capital cost for the second scheme (without parking) is $1,752,608, or $83,457--well below M.U.P.'sfor this form of development. In both cases, operating subsidies provided under the Non-Profit Housing Program would ensure the financial feasibility of operating the residential component of the development.

5.1.6 Findings

The conclusion is that small mid-block sites do not have the room to provide surface parking and cannot afford to provide underground parking and yet still maintain the "medium-rise" character suggested by the "Main Streets" concept. In order to encourage housing on-site, parking requirements must be virtually eliminated or parking must be provided off-site. Given the close proximity of many such sites to more frequent transit service, such reductions would likely be appropriate in many areas.

5.2 Small Corner Retail Site

The two proposed schemes show:

1) The negative financial impact of having to provide underground parking on a small site; and,

2) the effects of tough setback requirements on a small site.

5.2.1 Site Description

The 11,840 sq. ft. site is located on St. Clair Ave East in East York and is currently occupied by a gas station.

St. Clair Avenue East along this length is fronted by a mix of small-scale retail and local institutional uses as well as single family homes. For example, there is a restaurant in the one-storey structure to the west of the site, a church to the east across the street, and a school across St. Clair to the north. The adjacent street leads to modestly-sized bungalows to the south.

5.2.2 Development Concepts

Two low-rise schemes were examined. The main differences are in the height of the building and the location of the parking (See Figures 5.3 and 5.4).

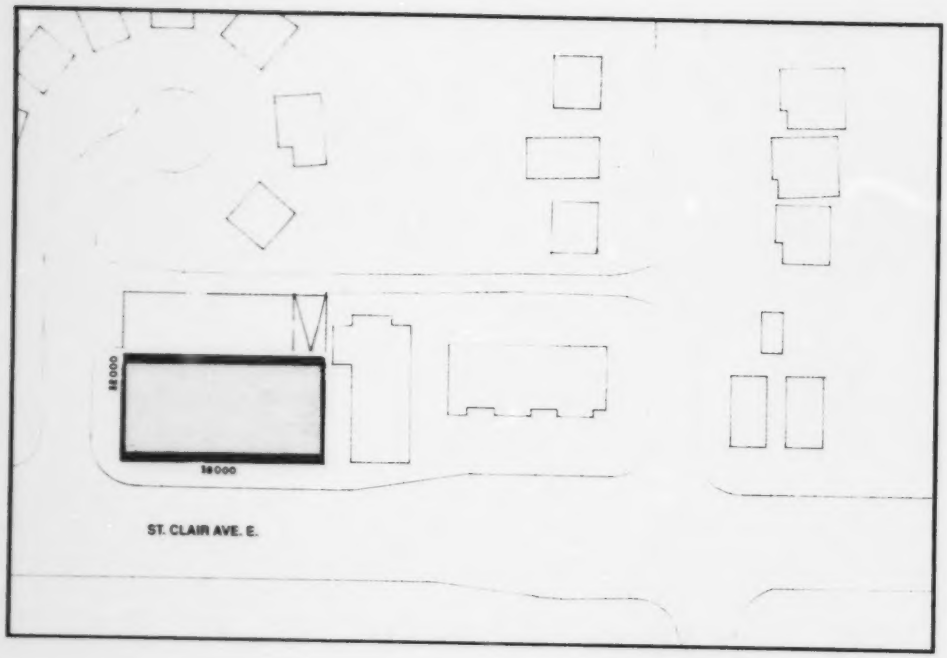
Concept A has one floor of housing over shops. This is the maximum that can be developed on the site with surface parking. The commercial parking is provided in the front and the residential parking in the rear. The number of spaces provided matches what is required.

Concept B has two floors of housing over shops. In this case, the parking for the housing is provided underground, while the parking for the shops is behind the building. The surface parking is slightly below the commercial requirement.

5.2.3 Zoning and Planning

The current Official Plan for East York does not recognize nor promote the concept of mixed commercial-residential development. In the Official Plan, this site is designated "residential", while in the zoning by-law, it is "commercial."

The secondary plan for the district surrounding the site prohibits apartment buildings, except for low-rise apartments as an alternative to commercial development along another nearby arterial. Therefore, the concept schemes would contravene the secondary plan because they combine residential and commercial, and are not located in the prescribed area.



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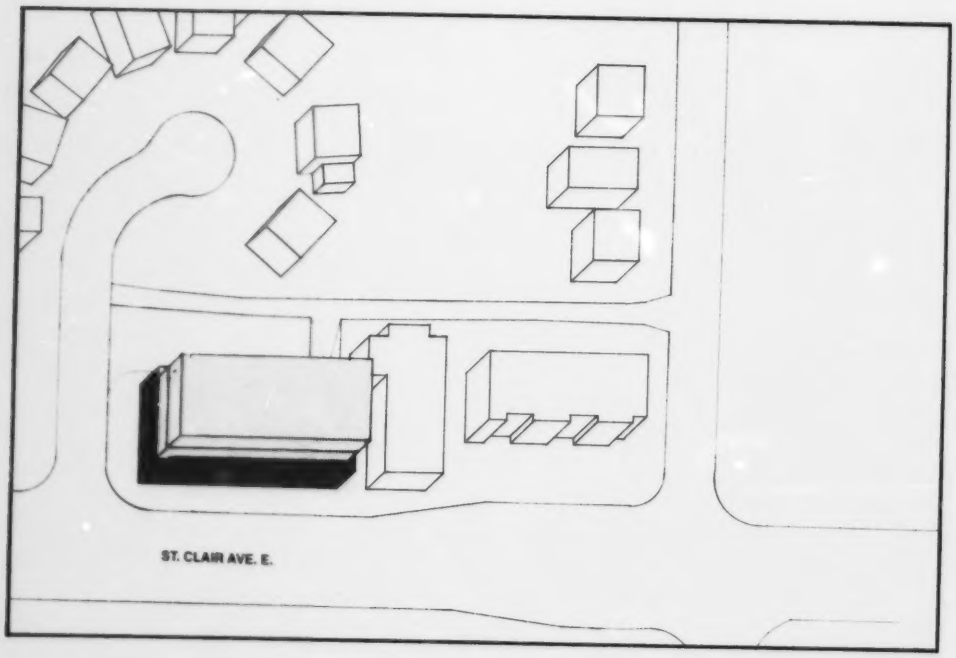
PROPOSED SITE PLAN



Residential

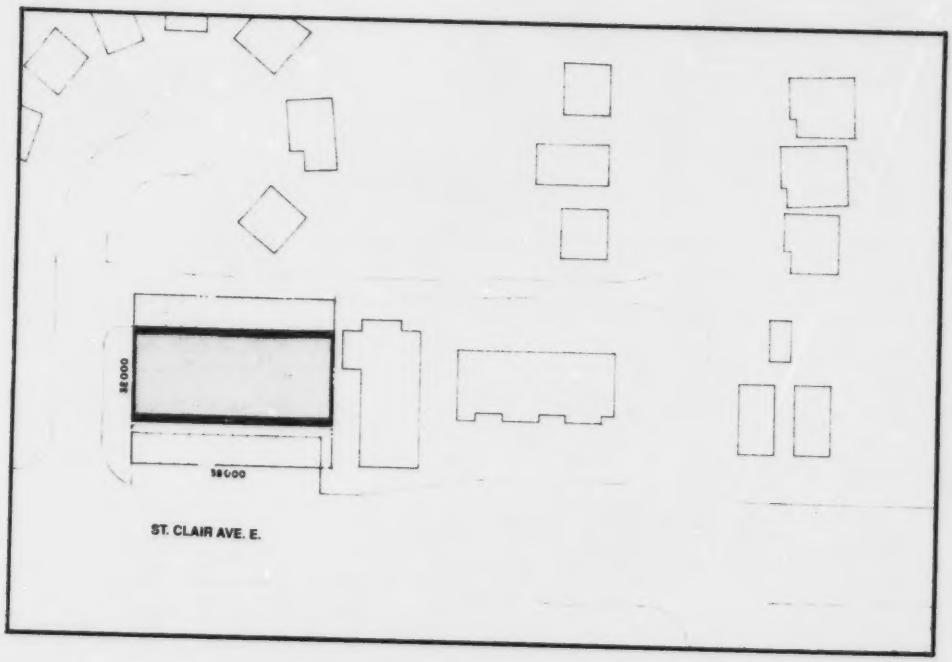
Office

Commercial

Scale 1:1250

PROPOSED BUILT FORM

FIGURE 5.3: SMALL CORNER RETAIL SITE CONCEPT A



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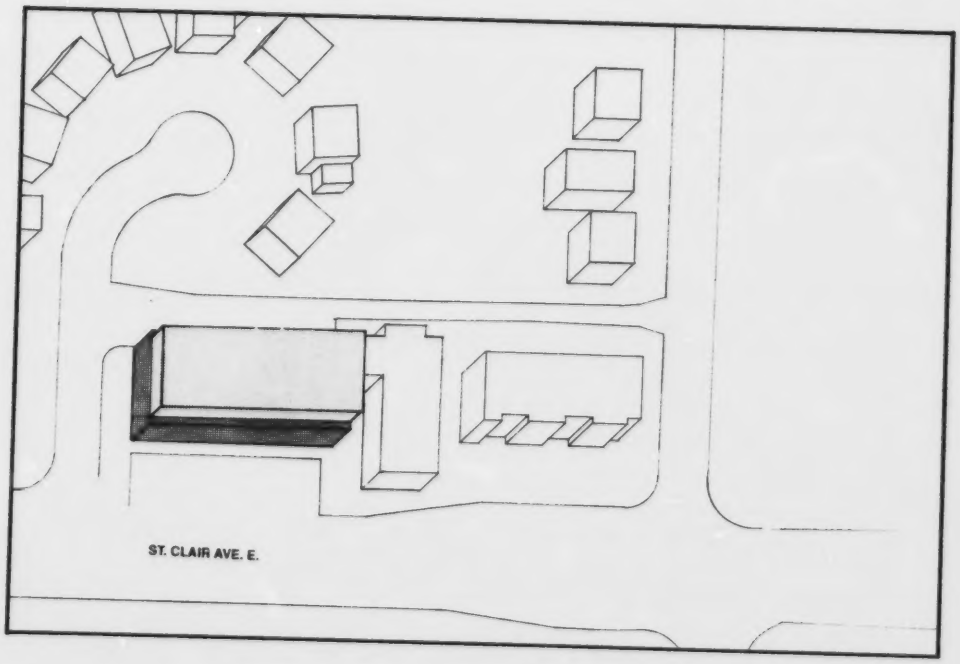
PROPOSED SITE PLAN



Residential

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PROPOSED BUILT FORM

FIGURE 5.4: SMALL CORNER RETAIL SITE CONCEPT B

The zoning by-law permits three-storey structures with housing over commercial uses in commercial designations. No explicit limits are placed on the permitted density, but there are three restrictive conditions not met by the schemes.

1) That 37 m2 of private open space be provided for each unit. The design concepts would allow balconies with about 12 m2 per one-bedroom unit, and 18 m2 per two-bedroom unit. Increasing the open space provision would require the site area available for parking or development, as this would require a frontyard setback.

2) That no parking in rear yard be located within 15 m of a residential building with an R zone. Scheme B separates the parking from the nearest residential property by 10 m, and Scheme A by 6 m. This regulation essentially would eliminate the possibility of providing rearyard parking on the site.

3) That 50% of the site be left open between the lowest residential floor level and the highest part of the roof. The scheme leaves only 37.5% open in the rear. To meet this requirement means cutting back the retail depth from the conventional 20 m down to 16 m, while providing all parking in rear.

The parking standards for this municipality are 1 space per dwelling unit and 1 space per 47 m2 of gross of commercial space. These are among the lowest of all the other municipalities within Metro. Nevertheless, because of the relative shallowness of this site (32m), it is difficult to satisfy the surface parking requirement. Scheme B is deficient by one space. In scheme A, the retail parking in front is provided only by creating a lengthy curb cut. This might be acceptable on this site, but probably not on a busier arterial.

In summary, both concept schemes would require an Official Plan amendment as well as a re-zoning.

5.2.4 Financial Analysis

The two storey scheme (A) with all-surface parking meets our financial criteria with an Overall Rate of Return of 10.2%, Return on Cash of 6.4% and Created Value of 19.6%. It should be noted that the residential portion shows a negative created value of -7.7%. This is because residential rents are not sufficiently high enough to cover both the high land cost on small sites such as gas station sites, and the cost of construction.

If the entire land cost is attributed to the retail, the overall Rates of Return (10.2% vs 10.1%) and Created Values (20.5% and 18.2%) are comparable for the retail and residential portions, respectively.

This result led to an investigation of retail use only for the site. While not investigated in detail or presented in this report, a scheme containing the same retail

space and surface parking as in Scheme A, but without housing, would likely meet current Official Plan and zoning regulations. It shows an Overall Rate of Return of 10.6%, Return on Cash of 7.5% and Created value of 24.7%. These returns are slightly higher than for the scheme with a floor of apartments.

The question becomes, why would a developer build the floor of apartments even if allowed by the Municipality? The reason is that, while the rates of return fall slightly, adding the apartments causes the absolute amount of created value to increase from $300,000 to $396,000 and spreads the high per sq. ft. land cost of a small site over a much larger building. The apartments also add income stability to the project in terms of rapid lease-up and low vacancy rates, and aid the developer in financing the project.

The three storey scheme (B) requires costly underground parking. Even with the revenue from ten additional apartments and 860 sq. ft. of additional retail space, insufficient revenue is generated to meet the additional cost. The overall Rate of Return is 9.5%, Return on Cash is 5.1%, and Created Value only 12.3%. The latter two are below acceptable limits.

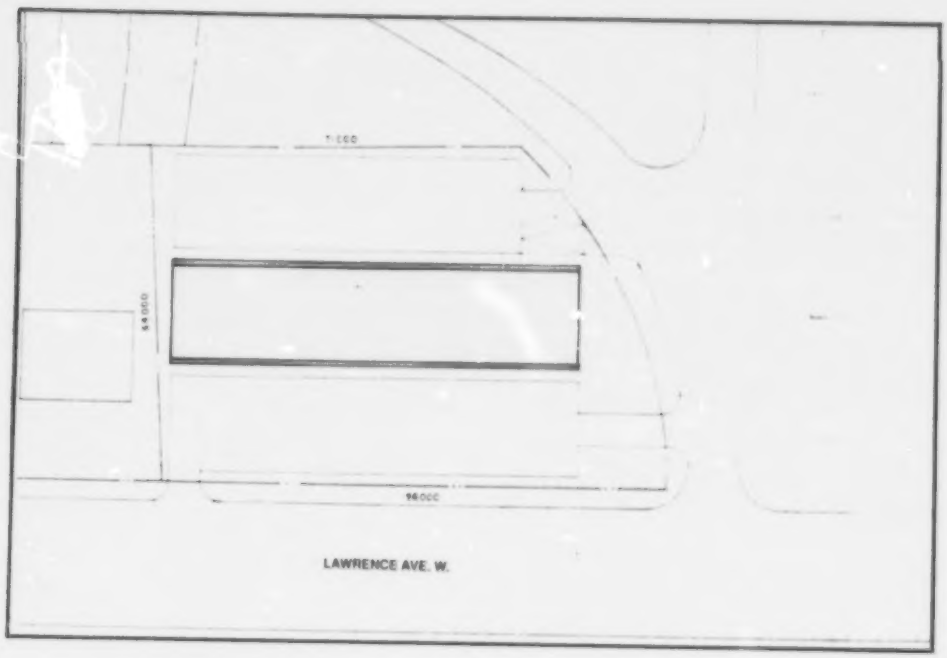
5.2.5 Non-Profit Housing Analysis

The non-profit housing analysis for this site indicates that either scheme likely would be financially feasible under this program. In the first scheme, which includes surface parking, the total capital cost for the residential component is $978,750, or $97,875 per unit. This is well below the M.U.P. for the type of development and for either family or single/senior target groups. Similarly, the total residential capital cost for the second scheme (with some underground parking) is $1,948,129, or $97,406 per unit--well below M.U.P.'s for this form of development. In both cases, operating subsidies provided under the Non-Profit Housing Program would ensure the financial feasibility of operating the residential component of the development.

5.2.6 Findings

Developers would probably look favourably upon the two-storey project (Scheme A), provided the site could be easily designated for mixed-use and the existing development constraints removed. The combination of commercial and residential uses on the site seems to be important for the success of the project. On the one hand, current residential rent levels are not high enough to cover the costs of land and construction. On the other hand, while commercial use alone has the highest rate of return, adding apartments benefits the project by increasing the overall created value and spreading the land cost over a larger building.

The three-storey example in this case is not financially attractive. The additional cost of the underground parking outweighs the benefits of the extra floor of housing.



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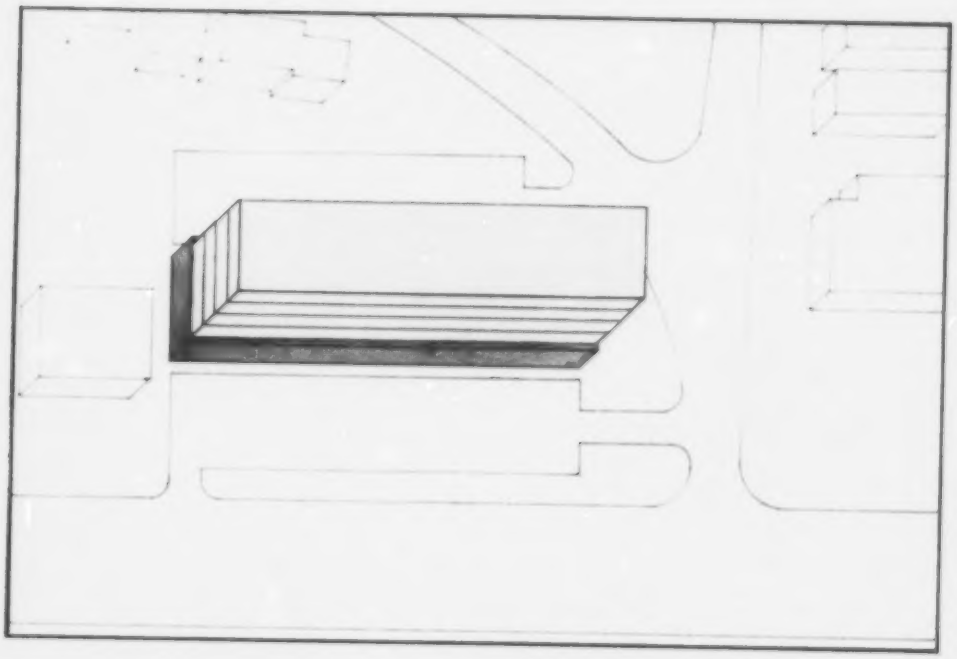
PROPOSED SITE PLAN



Residential

Office

Commercial

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PROPOSED BUILT FORM

FIGURE 5.5: MID-SIZED RETAIL STRIP CONCEPT A

5.3 Mid-Sized Retail Strip

This suburban site, by virtue of its size and location, is capable taking a variety of solutions. Therefore, it is used to most systematically examine the impact of adding different levels of housing, starting with one test scheme with retail only. It is also used to examine a less conventional "urban design" scheme.

5.3.1 Site Description

The site covers 61,350 sq. ft. on Lawrence Avenue East in Scarborough at a minor intersection. It is presently developed with an older, deteriorating single storey plaza of approximately 18,000 sq. ft. The 13 stores are fronted by three rows of parking. There are several vacancies.

Lawrence Avenue along this length is fronted by a variety of single-storey car-oriented commercial space, including a number of similar strips, filling stations, fire stations, free-standing supermarkets and the like. The street itself is a wide and heavily travelled six-lane arterial. The areas behind the street are single family residential.

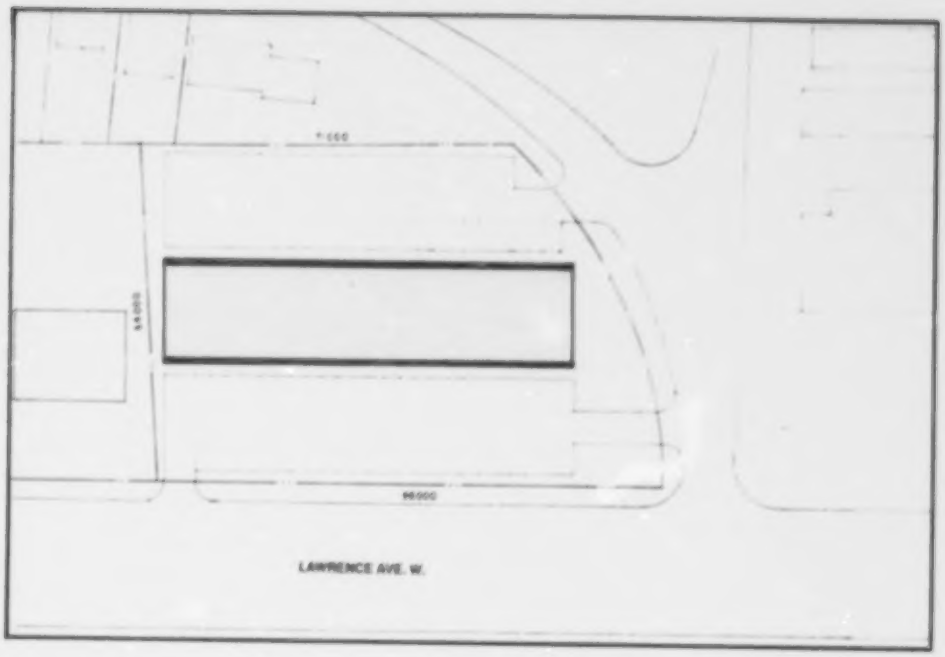
5.3.2 Development Concepts

Five development schemes were examined on this site. The first four of these are based on the same conventional layout in which the commercial parking was located in front of the building in view of the street. The fifth scheme was intended to meet the urban design concerns of the municipality that call for placing buildings at the sidewalk edge and locating the parking behind the buildings (See Figures 5.5 through 5.9).

Scheme A is a single storey strip plaza with the maximum commercial space (based upon a 0.33 FSI) currently allowed by the current zoning. This example, which has no housing, was prepared only to provide a basis of comparison. The scheme is capable of accommodating more than the required parking.

Scheme B is a two-storey example, made by adding a single floor of housing to the above commercial space. The additional residential parking to the municipal standard is accommodated to the rear of the building.

Scheme C has three storeys with two floors of housing over the commercial space. In this case, the commercial space has been reduced somewhat to reflect the additional parking demand. Sufficient parking is provided at grade; commercial parking to the front and residential to the rear.



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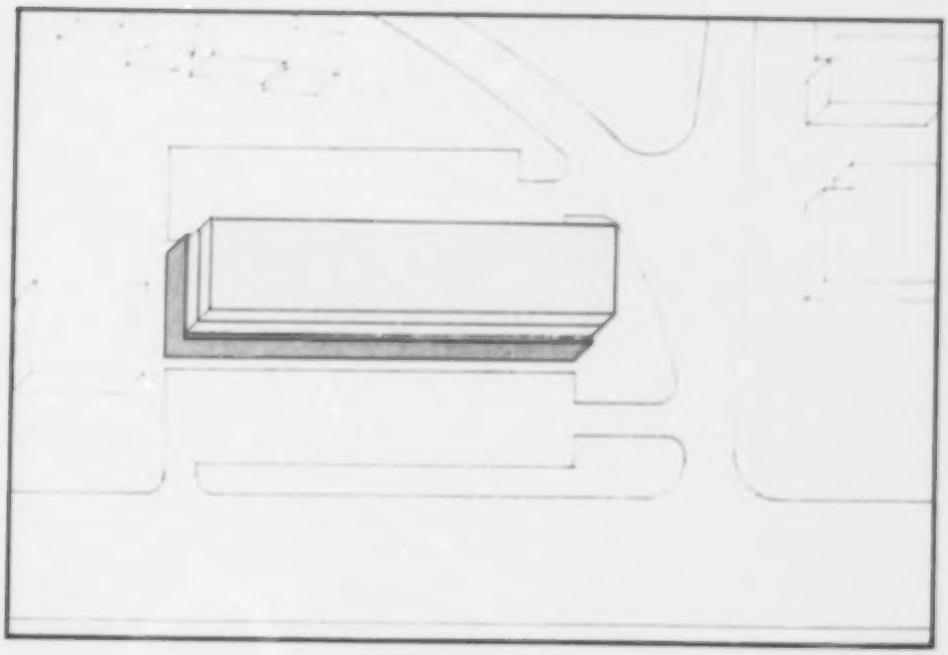

Residential

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PROPOSED
BUILT FORM

FIGURE 5.6: MID-SIZED RETAIL STRIP CONCEPT B

Scheme D is a five-storey example, with four floors of housing over commercial space. The commercial space is the same as C. Sufficient commercial parking is provided at grade in front of the building. Only about two-third's of the residential parking can be accommodated behind the buildings on the surface; the remainder must be placed under the building.

Scheme E is based upon a different site layout. It has two four-storey buildings: one with three floors of housing over shops and the second with three floors of offices over shops. As noted, this scheme was designed to place the buildings next to the street and the surface parking behind the buildings. It almost meets the retail parking requirement at grade, while providing all necessary residential and office parking underground. For the purpose of this exercise, it was also assumed that this site was located on a major high-traffic intersection, because in its present location there probably would be no demand for office space.

5.3.3 Zoning and Planning

The Official Plan in Scarborough allows mixed use in all commercial designations. In the OP, the site is designated "Neighbourhood Commercial". Limited redevelopment is allowed, but no guidelines are set out. Therefore, it is difficult to assess the compatibility of the schemes with the current OP.

The "Neighbourhood Commercial" zoning for the site, however, does not explicitly permit residential uses. Also, the maximum gross floor area is limited to 0.33 of the site. The various mixed-use options tested range from 0.50 up to 1.30.

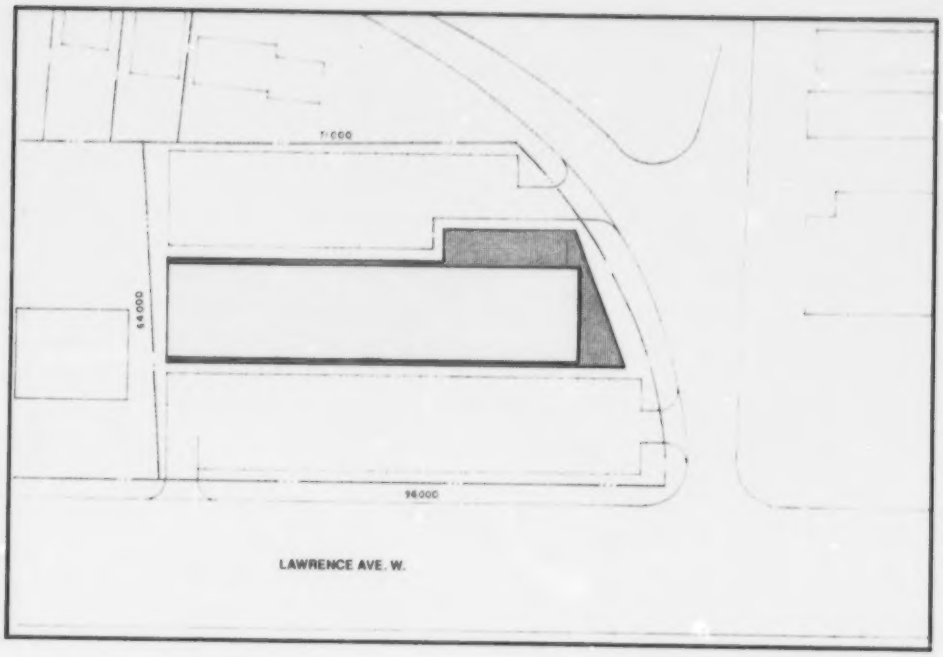
The municipality requires 1.3 spaces per residential unit generally, but also allows lowering this to 1.1 when the visitors parking can be reasonably accommodated elsewhere on the site, such as in the commercial parking areas. The commercial standard is 1 space per 33 m2 gross.

The schemes meet the residential and commercial parking standards of the municipality. Schemes D and E provide underground residential parking. (Scheme D also is slightly below the requirement, but this could be corrected with minor revisions.) It should be noted that the schemes all take advantage of the permitted reduction for visitors parking.

The schemes probably are acceptable to the OP, but clearly would require changes in the existing zoning provisions.

5.3.4 Financial Analysis

The single storey retail-only scheme (A) shows close to acceptable returns with an Overall Rate of Return of 9.8%, Return on Cash of 5.5% and Created Value of 22.0%.



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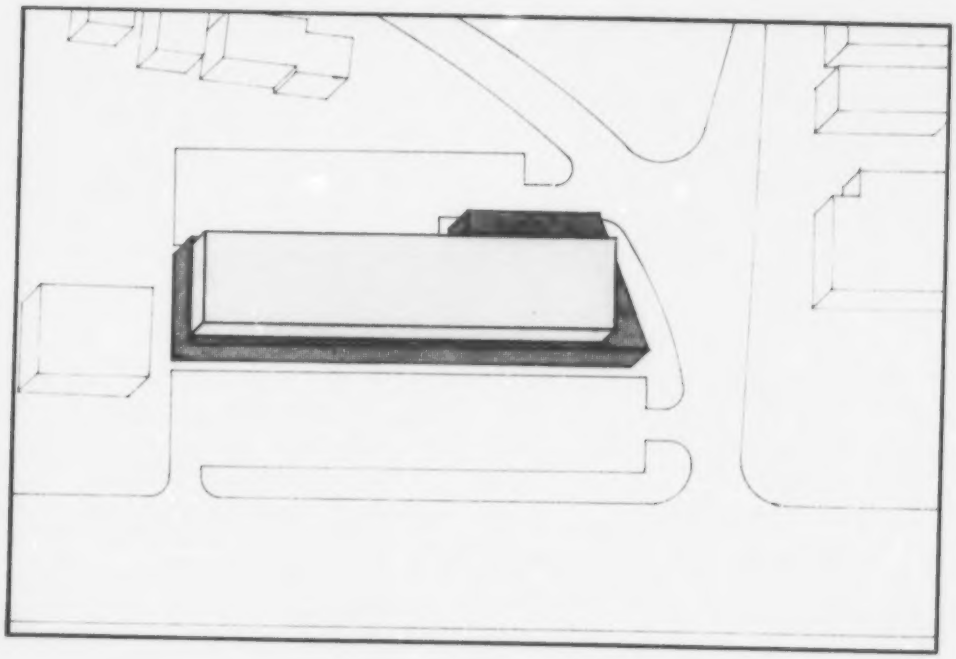

Residential

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PROPOSED
BUILT FORM

FIGURE 5.7: MID-SIZED RETAIL STRIP CONCEPT C

Adding the floor of apartments in the two storey scheme (B) does not appreciably change the Rates of Return. We assumed a zero land cost component for the residential, as this type of site is frequently developed with just retail uses. Developing residential on this site would increase Created Value from $982,000 to $1,293,000. This demonstrates that second floor private rental apartments over a retail strip of this nature can be a viable alternative to single storey strip retail developments.

The three storey scheme (C) containing two floors of apartments can still have all parking accommodated at grade at a cost of reducing the retail space by 3875 sq. ft. However, the Rate of Return falls below acceptable limits with an Overall Rate of Return of 9.2%, Return on Cash of 4.5% and Created Value of 14.7%.

Even with the additional development spreading the land cost, apartment rent levels cannot pay an economic return to the costs of development nor make up for the loss of some retail space. Created value actually falls by $277,000 from the two storey scenario.

The final two schemes are at higher density than the first three schemes. The financial returns reflect the following:

1) The land cost has been raised slightly to reflect the additional development.

2) The construction cost has been increased slightly to reflect the higher costs of a mid-rise over a low-rise building.

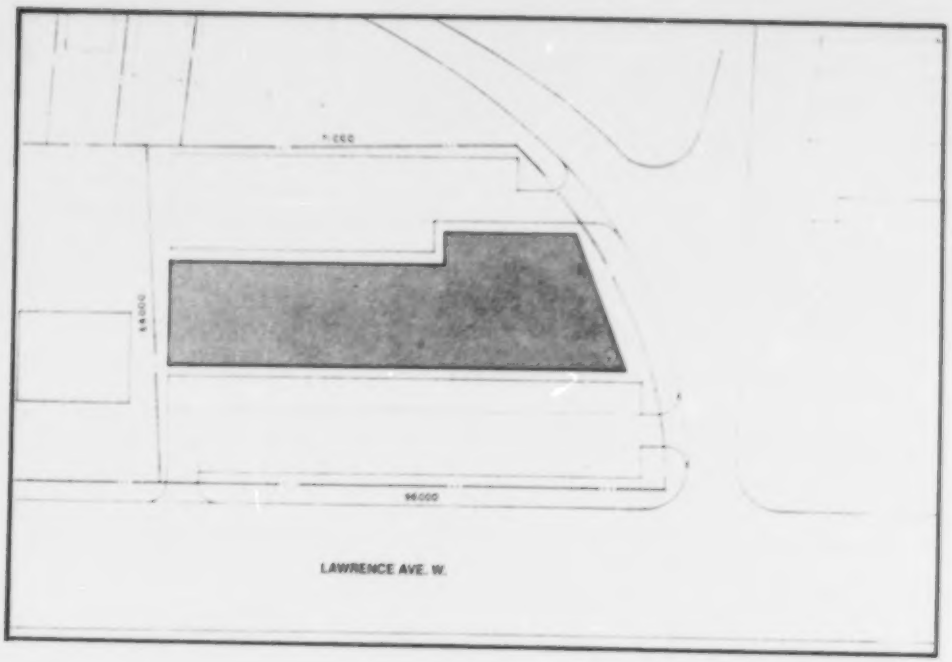
3) Parking costs are higher because some of the parking has to be accommodated underground.

The financial returns for Scheme D are unacceptable with an Overall Rate of Return of 8.6%, Return on Cash of 3.7%, and Created Value of 7.1%. Even with land costs at the level of the three previous schemes, the financial returns of this scheme are still unacceptable. Apartment rent levels are simply not high enough to pay for the costs involved in this type of development.

Scheme E, with a mix of retail, office and residential uses in two buildings acts much like the previous scheme with the residential portion returning a created value of-17%. The project's Overall Rate of Return of 8.5%, Return on Cash of 3.6% and created value of 5.57% are unacceptable.

5.3.5 Non-Profit Housing Analysis

The non-profit housing analysis for this site indicates that any of the above schemes are generally financially feasible under this program. The lowest density project (one floor of retail and one of apartments) has a total residential capital cost of $1,488,172, or $87,539 per unit. This is well below the M.U.P. for the type of



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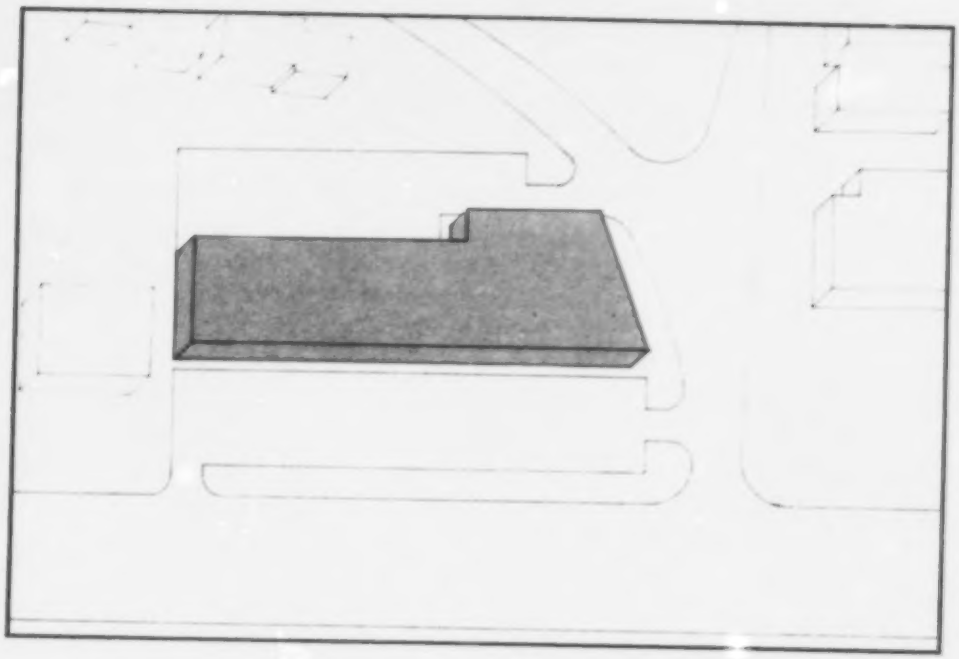

Residential

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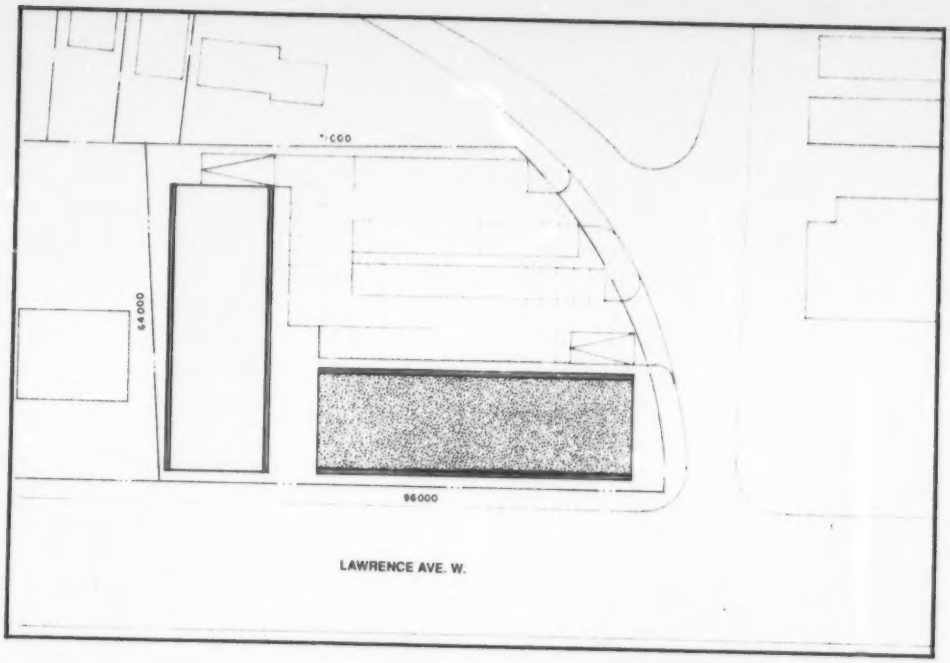
Scale 1:1250

PROPOSED
BUILT FORM

FIGURE 5.8: MID-SIZED RETAIL STRIP CONCEPT D



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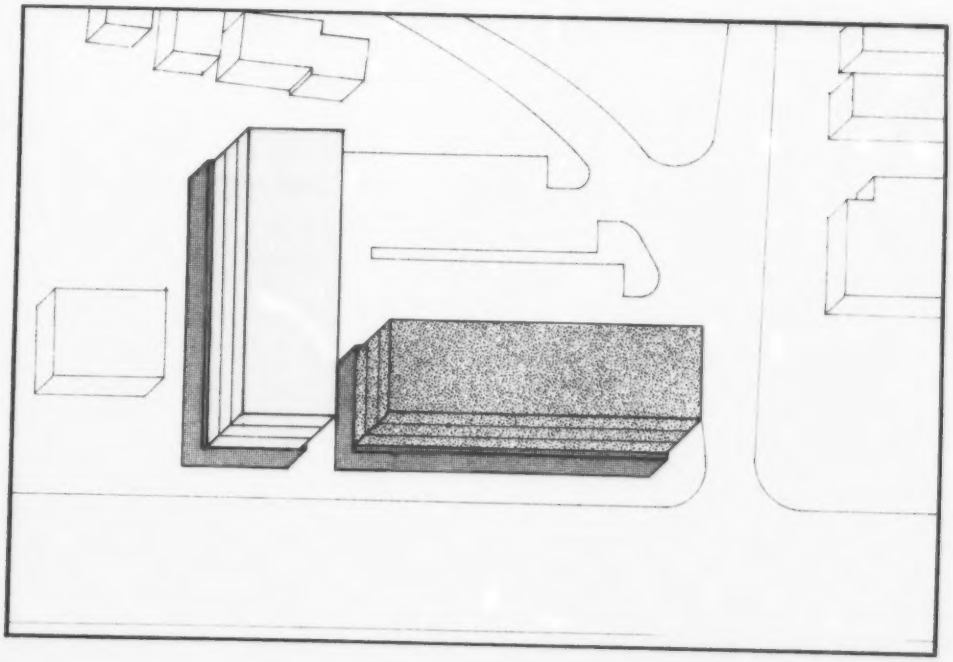
PROPOSED SITE PLAN



Residential

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Commercial

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PROPOSED BUILT FORM

FIGURE 5.9: MID-SIZED RETAIL STRIP CONCEPT E

development and for either family or single/senior target groups. The highest density project (four storeys of residential over one floor of retail) has a total residential capital cost of $8,295,234,or $121,988 per unit. This capital cost is slightly below the Maximum Unit Price for such developments. The Ministry of Housing likely would take a very careful look at the development before permitting it under the Non-Profit Housing Program. Much like the analysis for private developments, the medium-rise form of construction also raises financial difficulties for non-profit housing developments on such sites. As in the other cases, providing the Ministry approves the capital cost, operating subsidies provided under the Non-Profit Housing Program would ensure the financial feasibility of operating the residential component of the development.

5.3.6 Findings

Adding a floor of apartments to a retail strip of this nature appears to be financially attractive, provided the permitted commercial space is not diminished. The Rate of Return is not affected, while the overall Created Value is increased.

Adding two floors of apartments in this particular case, however, begins to generate an amount of surface parking that causes a reduction in commercial space. The rent levels of the apartments, even with the extra floor of the units, cannot make up for the negative effect.

5.4 Large Retail Plaza

This large site offers a number of development opportunities, including wholesale redevelopment and/or infilling with high-rise towers. To be consistent with the purpose of this study, however, it was used to examine a low-rise form of mixed-use infill that retained the existing structures.

5.4.1 Site Description

The site is an older, deteriorating community shopping centre on Sheppard Avenue West in North York at a major intersection. Both major roads are developed with car-oriented strip commercial development and high rise apartment buildings. The areas behind the main roads are mid to upper priced single family residential areas.

This particular site appears to be physically capable of accommodating more development, according to calculations made in this study, because the existing surface parking area contains more spaces than required by the municipality for the developed commercial space. Therefore, with some re-organization of the parking, an additional building parcel in theory could be defined within this site.

5.4.2 Development Concepts

Two schemes were considered, both involving the redevelopment of some retail space on the plaza's southwest corner (See Figure 5.10). Each scheme has four floors of condominium units over ground level retail. In both cases, the surface parking is sufficient for both the existing and new commercial uses, while the residential parking is provided underground.

The difference between the two schemes is in the type of housing. Option A is a "luxury"scheme with fewer and larger units. Option B is an "affordable" scheme with more and smaller units.

5.4.3 Zoning and Planning

The Official Plan and the Zoning By-law for North York both permit residential development on commercial lands. This site is designated "Commercial District" in the Official Plan and "General Commercial" in the zoning by-law. Despite these favourable overall provisions, neither would allow the tested schemes as-of-right.

The OP would place these two restrictions on the schemes:

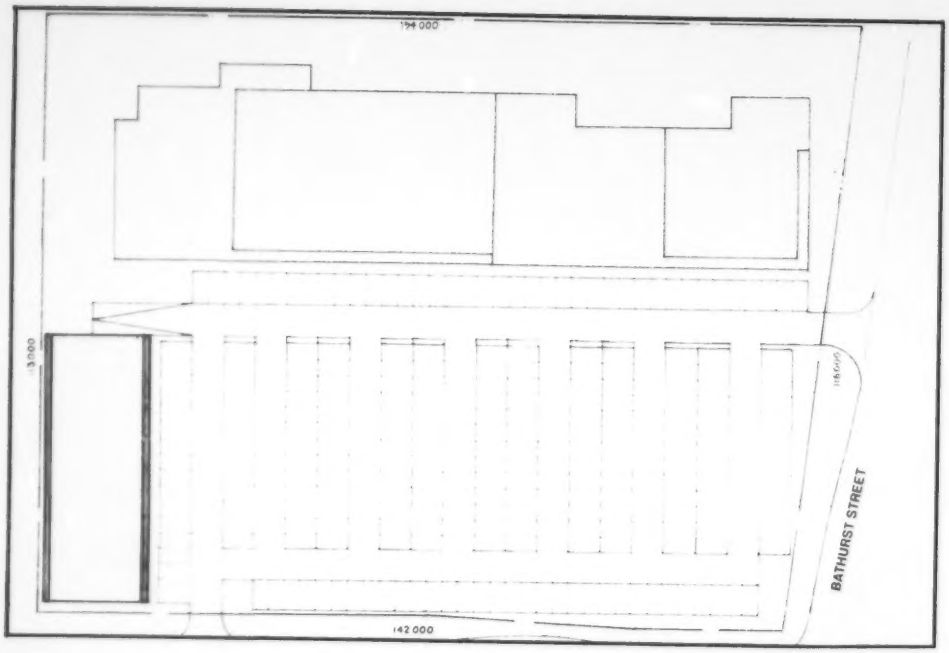
1) Housing is limited to two storeys in height above the commercial space in order to prevent the over-utilization of the amenity space, community facilities and parking areas within the commercial area. The schemes have four storeys of housing over shops.

   The two storey height limit may be relaxed when the parking, traffic, service areas and amenity space for the residential use are physically or functionally separated from those for the commercial use. It is not clear that these schemes could satisfy this condition.

2) The overall density will be limited to a FSI of 1.0. Rezoning for higher densities up to 1.5 may be permitted, if the development meets a number of Compatibility Criteria set out in the OP. The FSI for both schemes is slightly under 2.0, if an appropriate separate development parcel is defined.

The zoning by-law also is restrictive. It also sets a maximum height of three storeys overall, while introducing a minimum floor area of 55 m2 per dwelling. The one bedroom units in scheme B contain only 51 m2 net, which is a fairly common size in affordable housing.

The parking standards in this municipality are 1 space per dwelling unit and 1 space per 28 m2 of commercial floor area. These standards are similar to those in Scarborough, which also has a more car-oriented and less dense form of development than the other municipalities. The schemes are able to accommodate the residential requirement only through underground parking. Despite the increase in commercial floorspace on the site, both schemes also are able to meet the commercial standard through surface parking.



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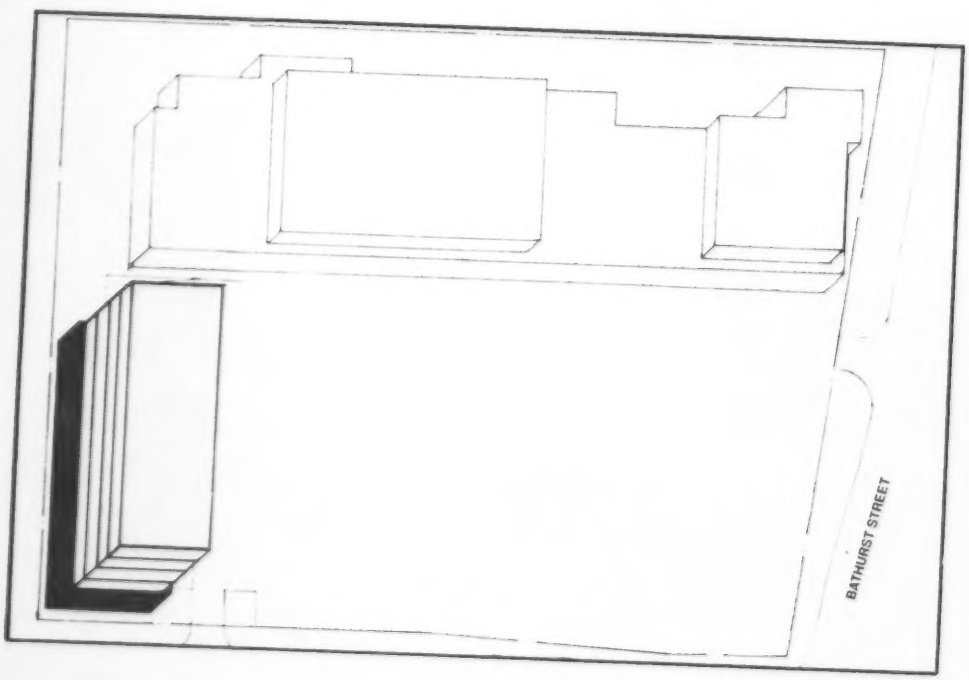
PROPOSED SITE PLAN



Residential

Office

Commercial

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PROPOSED BUILT FORM

FIGURE 5.10: LARGE RETAIL PLAZA CONCEPTS A & B

In summary, the density and height controls would prevent the undertaking of these developments without an OP amendment and a re-zoning. These schemes are larger than most of the others; therefore, it also relevant to note that the density and height controls would prevent most of the other schemes tested elsewhere on smaller sites.

5.4.4 Financial Analysis

The luxury condominiums show a Created Value (Profit) of 27.5% while the retail portion shows an overall Rate of Return of 10.8% and a Created Value of 19.7%.

The affordable condominiums show an acceptable Created Value (Profit) of 15.7%.

5.4.5 Non-Profit Housing Analysis

Development of the site for non-profit housing would likely result in a design similar to the affordable condominium scheme, although the unit sizes and amenities would be slightly reduced. Assuming a 10% reduction in capital costs yields a total residential development cost of $6,059,197, or $126,233 per unit. This result is extremely close to the Maximum Unit Price and would require close scrutiny from the Ministry of Housing to achieve approval

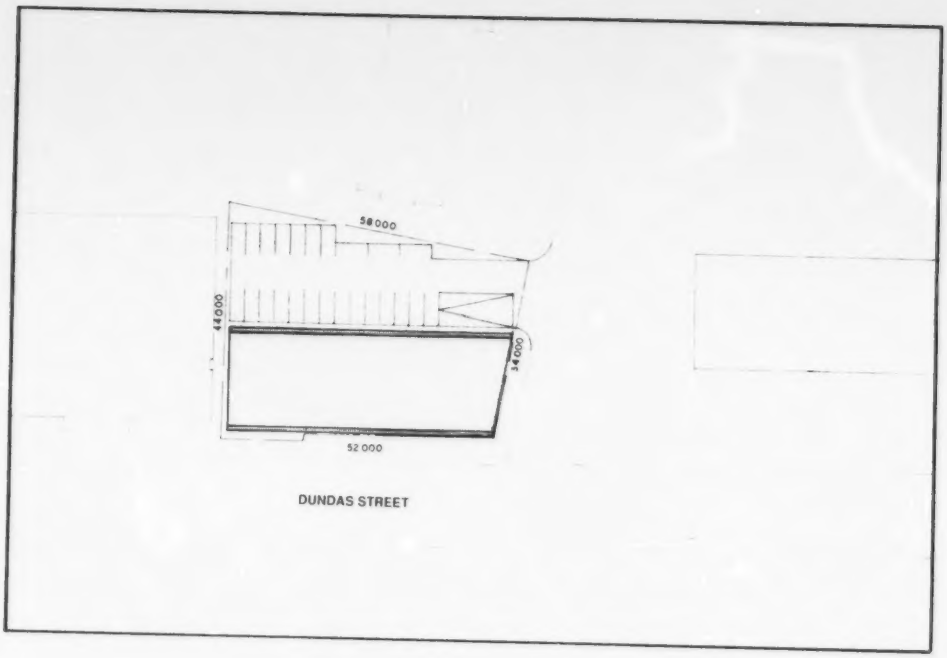
Here again, the impact of a medium-rise, medium density building acts to reduce the financial feasibility of the project.

5.4.6 Findings

These condominium examples show a reasonable financial return. However, it is likely that the owner of this site would pursue a major redevelopment scheme, rather than modest intensification of a portion of the site. Given the presence of highrise developments in the area, the developer likely would also try for a high rise building which would be more efficient and profitable.

As expected, this project, like most modest-scale condominium projects on major roads would be financially feasible, once the current oversupply situation rights itself. The market selling prices for condominiums are far more capable of supporting private residential development than private market rents, which have been constrained by a number of factors in recent years.

At the same time, however, it must be kept in mind that the marketability of such housing likely would be negatively affected by being located in a mixed-use project along a major road. Conflicts with parking, the lack of amenity space, potential concerns about security, and other such factors would have to be carefully addressed to create condominiums attractive to potential purchasers. Conversely, the potential for highly accessible and convenient locations might appeal to various segments in the market. Thus, careful target marketing would have to be undertaken to generate the appropriate response to such developments.



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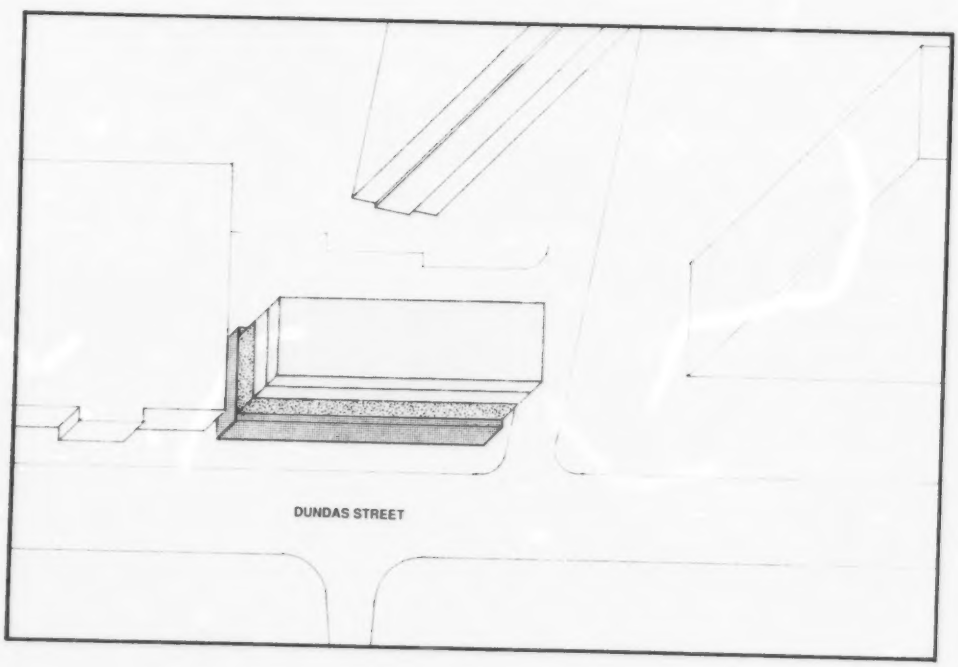

Residential

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PROPOSED
BUILT FORM

FIGURE 5.11: SMALL HIGH-RISE RESIDENTIAL INFILL SITE - CONCEPT A

The positive result for the affordable condominium scenario is particularly important. The analysis shows that this form of housing can be widely considered in a range of locations across Metro, thereby potentially providing a considerable source of housing units.

5.5 Small High-Rise Residential Infill Strip

This example examines adding residential development to an under-utilized portion of an already-developed high-rise apartment project. This represents a "found land" opportunity in which the essentially zero land cost can be used to subsidize effectively the cost of developing additional rental apartments.

5.5.1 Site Description

The site is located on Dundas Street West in Etobicoke. It is on the edge of a local shopping area showing many signs of upgrading through both renovation and reconstruction. The commercial properties abut the sidewalk and range in size from one to three storeys.

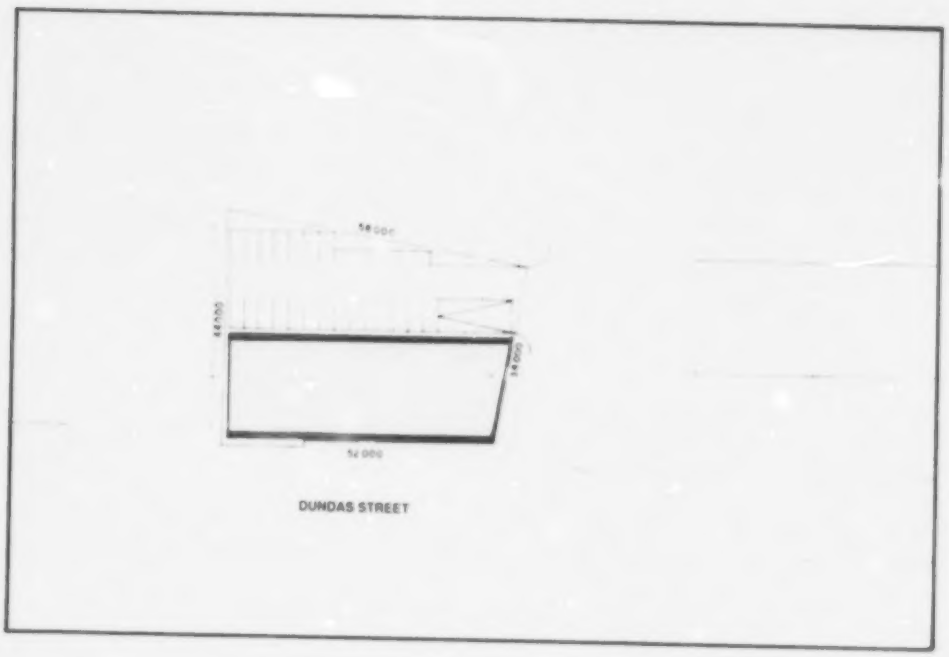
The building parcel is the undeveloped "sideyard" of a 22-storey rental apartment. This structure is part of a larger complex, including two high-rise OHC structures across the street, all built in 1960's and taking advantage of a nearby major subway/bus station.

The parcel is meant to be part of the open space provision of this housing, but although reasonably well landscaped, it serves no functional purpose at present. It also sits over two levels of underground parking. This parking provided here, in theory, is higher than needed by this project (see Section 6.1.1). (For the purposes of this analysis, the financial impact of this underground parking has been ignored. In other words, the potential benefit of having the site already excavated has not been considered.)

5.5.2 Development Concepts

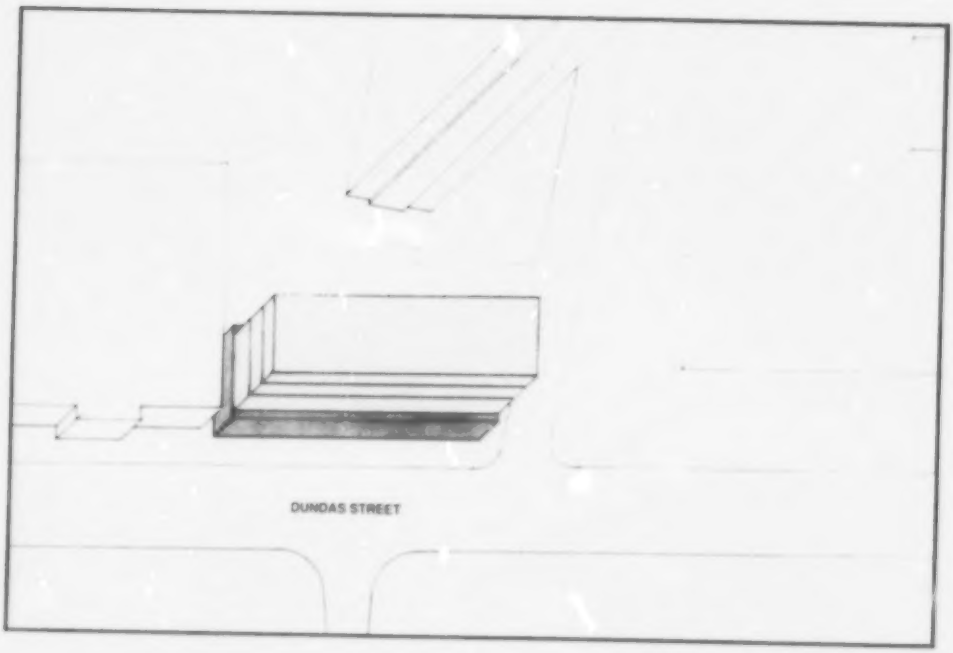
Two concepts were examined. Both are four storey buildings with underground and rear surface parking (See Figures 5.11 and 5.12).

The difference is mainly in the mix of uses. Scheme A has ground-level retail space, second storey offices and two floors of apartments. Scheme B has three floors of housing over the retail space and no offices. The rear surface parking is adequate for the retail uses in both cases, while the underground parking is provided for the office and housing requirements.



Scale 1:1250

PROPOSED
SITE PLAN



Residential

Office

Commercial

Scale 1:1250

PROPOSED
BUILT FORM

FIGURE 5.12: SMALL HIGH-RISE RESIDENTIAL INFILL SITE - CONCEPT B

5.5.3 Zoning and Planning

The schemes put forward for this site involve infilling an existing residential site with a mixed-use project. The property is currently zoned "Fourth Density Residential" (R4), while the other properties along the street generally are "Limited Commercial" (CL). That these schemes would not be permitted by the current regulations is not surprising because it is not a common form of development. It is possible that this type of development could be completed be severing this portion of the property, and seeking a commercial re-zoning. Therefore, the regulations have been examined also from this viewpoint.

The current Official Plan for Etobicoke makes only a token reference to mixed commercial-residential developments in commercial areas. However, these provisions are likely to be replaced by the new proposed Official Plan, which takes a much more positive approach. Specifically, it includes a "mixed use" designation, and allows residential in virtually all retail areas.

The proposed density controls in the new OP -- namely, the maximum net density of 2.5 FSI and a maximum height of six storeys -- would allow both schemes. On the other hand, one of the new regulations -- that requiring a minimum of 70 % of the overall gross floorspace in residential use -- would rule out scheme A because it has only 50% with the inclusion of offices.

The existing zoning provisions are also restrictive. The applicable zoning for these projects would limit them to three floors, and only two dwellings per building.

Etobicoke requires 1.25 spaces for 1 bedroom and smaller units and 1.4 for larger units. For commercial it requires 1 space for $31m^2$ gross. Both of these standards are higher than those in other municipalities for comparable situations, and neither scheme is able to satisfy them.

The schemes were designed to satisfy reduced parking standards based upon those in York and East York. There appears to be some justification for lowering these standards at least on sites such as this. It is well located for public transit, being within walking distance of the Islington subway station. It is also next to a compact and street-related shopping area.

In summary, both of the infill schemes would require an amendment to the existing as well as the proposed OP's. Even if the site were severed and designated as commercial, the new OP provisions would permit only one of the examples.

5.5.4 Financial Analysis

Both schemes show similar results and meet our financial criteria. In the first scheme, which has the floor of office space, the overall Rate of Return is 10.7%, the Return on Cash is 7.9% and Created Value is 34.1%.

The second scheme which replaces the office floor with a floor of apartments shows an overall Rate of Return of 11.0%, a Return on Cash of 8.7% and Created Value of 37.0%.

The apartments perform as well as the office space in this particular case due to the higher residential rents attributed to the subway location, and the high tenant inducement costs and vacancy allowance on the office space.

5.5.5 Non-Profit Housing Analysis

The non-profit housing analysis for this site indicates that either scheme likely would be financially feasible under this program. In the first scheme, which includes an office component, the total capital cost for the residential component is $2,733,191, or $97,6142 per unit. This is well below the M.U.P. for the type of development and for either family or single/senior target groups. Similarly, the total residential capital cost for the second scheme (without office) is $3,932,768,or $93,637 per unit--well below M.U.P.'s for this form of development. In both cases, operating subsidies provided under the Non-Profit Housing Program would ensure the financial feasibility of operating the residential component of the development. The favourable financial impact of the "found" land is clearly apparent in both cases.

5.5.6 Findings

Allowing residential intensification through the development of open space areas on large sites allows the project to take advantage of effectively a $0 land cost and supports the provision of residential units. Given the extensive numbers of high rise apartments across Metro, there appears to be considerable potential for developments of this nature. The feasibility of this type of development will depend upon the willingness of municipalities to re-examine their out-of-date regulations.

5.6 Key Findings and Conclusions

The above analysis shows a wide variety of situations in which mixed-use projects of 2-5 storeys can be developed in a financially feasible manner along major roads within Metro. Below we summarize the approaches offering the greatest opportunities for successful developments of this nature. We then note some of the key constraints which should be addressed in order to further encourage such activity.

1) Opportunities to Pursue

- **The most financially effective form of mixed-use commercial/residential development along major roads is the small, two or three storey development containing ground floor retail and walk-up apartments.** The housing in such projects can be built at a modest cost, providing the parking can be

accommodated at grade. Given the widespread numbers of sites throughout Metro containing suitable ground floor retail developments, there is extensive potential for the creation of additional housing in this manner, particularly affordable private rental, non-profit and condominium units. These sites are also the ones most likely to be developed by small developers and landowners--the two main target groups for this initiative. For these reasons, these are the types of sites Metro should emphasize most strongly in any program of housing along major roads.

- **The provision of housing on the unused portion of high rise apartment sites on major roads is particularly feasible financially, as this land currently has no real development potential and hence very little value in the real estate market due to existing regulatory constraints on its development.** Metro should encourage area municipalities to revise planning regulations to support and encourage development of this nature.

- **Condominium units are more likely to be financially feasible than private rental units when the current oversupply situation turns around.** However, a number of factors may limit the number of market segments to whom condominiums along major roads would appeal. Careful project planning and target marketing must be carried out to enhance the success of such projects.

- **Reductions in parking standards are critical to ensuring the financial feasibility of housing along major roads.** Area municipalities should be encouraged to permit such reductions in projects proposing to provide housing along major roads, providing such sites are in close proximity to high capacity (frequent).

- **Non-Profit housing development appears financially feasible on most sites, as the mix of uses helps spread the land costs and government subsidies guarantee operating costs.** The Ministry of Housing and local non-profit housing groups should be encouraged to actively support and pursue developments of this nature.

2) **Constraints to be Addressed:**

- **Residential rent levels are not sufficiently high to provide an economic return to developers, in spite of very low vacancy rates.** The main contributing factors are:

  a) Construction costs, land prices and interest rates have escalated more rapidly than market rent levels in recent years. Rapid inflation in real estate markets and the imposition of Rent Review legislation are often cited as the major reasons for this trend.

  b) High land prices on commercial roads.

- **The existing planning and zoning regulations often frustrate these developments.** Despite favourable planning intentions in most municipalities, none of the mixed-use schemes tested could be built without re-zoning and/or Official Plan amendments. It is difficult to generalize because the regulations in each municipality set different problems. Parking, height and density limits were the most frequent constraints. Small sites particularly are adversely affected.

- **Where residential development is added to a commercial site requiring a reduction of potential or existing commercial space, it threatens the financial feasibility of the development.** A disproportionate share of the financial return on a development comes from the commercial portion.

- **Higher residential densities along major roads will not necessarily give rise to greater development of private rental housing.** Rental revenues for private apartments are generally insufficient to cover the increased costs, particularly for underground parking.

6.0 REGULATORY REVIEW

The previous Section contained brief discussions of the planning regulations pertaining to each site under study and the constraints they often place on the development of mixed-use projects along major roads. In this Section we review in more depth the impact of these regulations on the development of housing along major roads in each of the area municipalities included in the study. We then suggest changes which would overcome many of the identified constraints in order to encourage more development of this nature.

6.1 Parking Requirements

6.1.1 Residential

The residential parking standards for various municipalities vary from 1.0 to 1.4 spaces per dwelling unit. East York and North York are at the lower end, while Etobicoke, Scarborough and York are at the upper end (see Table 6.1). Etobicoke has a variable standard, with a lower requirement for 1 bedroom and smaller units and a higher one for larger units. Scarborough allows for lowering its residential standard from 1.3 to 1.1 where the visitors parking can be reasonably accommodated elsewhere, such as in mixed use projects.

On the basis of this comparison, it does appear that the residential parking standards in York and Etobicoke are excessive. The sites in both cases are in denser and less car-oriented environments than other area municipalities that have lower standards. Also, the sites in these two municipalities are better located with regard to transit than the others; the Etobicoke site is within walking distance of the Islington TTC station, and the York site is well-served by buses linking to the Eglinton Ave station on the University line. Therefore, there appears to be some justification for lowering these standards, at least on transit-related sites such as these.

6.1.2 Commercial

The general commercial parking standards range from 1 space per 28 to 47 m^2. No distinction is made between retail and office uses. There are special standards for certain more traffic-generating uses like restaurants, but no attempt has been made to analyze all of these.

These commercial standards indicate that there may be two levels across Metro Toronto. The higher level, in the order of 1 space per 30 m^2, would be applicable in more car-oriented "suburban" sites. The lower level, in the order of 1 space per 50 m^2, would be applicable in the more transit-oriented "inner city" areas.

TABLE 6.1

MUNICIPAL PARKING STANDARD

	East York	Eto-bicoke	North York	Scar-borough	York
residential	1.0 sp/dw	1.25-1.4 sp/dw*	1.0 sp/dw	1.3 sp/dw**	1.25 sp/dw
retail	1 sp/ 47 m^2	1 sp/ 31 m^2	1 sp/ 28 m^2	1 sp/ 33 m^2	1 sp/ 47 m^2
offices	1 sp/ 47 m^2	1 sp/ 31 m^2	1 sp/ 28 m^2	1 sp/ 33 m^2	1 sp/ 47 m^2

* 1.25 space/unit for 1 bedroom units or smaller, and 1.4 space/unit for 2 bedroom and larger.

** 1.1 space/unit permitted where 0.2 space/unit for visitors parking can be reasonably accommodated elsewhere.

All commercial floor areas refer to gross floorspace.

Etobicoke, North York and Scarborough have the highest parking requirements, while York and East York have the lowest. Again, it seems the Etobicoke standard is excessive when the character of the municipality generally and location particularly are considered.

In York, reductions in the commercial parking requirement may be permitted, if warranted "by reason of siting, location or design." Also, this requirement may be deleted if an equivalent cash contribution is made to the Parking Authority.

6.2 Development Provisions

6.2.1 East York

The Official Plan in East York neither acknowledges nor promotes in any way the concept of mixed commercial-residential development.

The secondary plan for the district surrounding the site, which is part of the OP, prohibits apartment buildings everywhere, except for low-rise apartments as an alternative (i.e., not in addition) to commercial development along another nearby arterial. The concept schemes would contravene on two counts: they are mixed-use and not located in the prescribed area.

The zoning by-law permits three-storey structures with housing over commercial uses in commercial designations. No explicit limits are placed on the permitted density, but there are a number of restrictive conditions:

1) 37 m2 of private open space for each unit. The concept design allows about 12 m2 per one-bedroom unit, and 18 per two-bedroom unit, essentially in the form of a balcony across the front of the unit on the roof of commercial space. Any increase in the open space provision would reduce the site area available for parking or development because it would require a setback in the front.

   This standard must be questioned from another viewpoint. It does not allow for different levels of provision for the different unit sizes. Certainly, a small unit would require less outdoor space than a larger family-oriented unit. In order to satisfy the current standard, most developers will attempt to minimize the number of small units. Therefore, this standard works against the provision of more small and affordable units.

2) No parking space in rear yard within 15 m of a residential building within R zone. The two design schemes separate the parking from the nearest residential property by only 6 and 10 m. The prescribed standard, which would eliminate all rearyard parking from the site, seems to be appropriate only for larger development sites. The only way that this restriction can be met is by moving the structure back on the site, and providing all parking in the front.

3) 50% of the site open between the lowest residential floor level and the highest part of the roof. One of the schemes leaves 19% open, while the other has 38%. These figures are largely determined by the site depth (32 m) and the standard retail depth (20 m). To meet the requirement means cutting back the retail depth to 16 m and placing all parking in the front.

Most of these standards appear to be arbitrary and mutually contradictory. While it might be possible to satisfy one of them, it will be at the cost of making the others worse.

6.2.2 Etobicoke

The type of development put forward in this study for this site involves intensifying an existing residential site with a mixed use project. This form of development is not recognized in the current regulations in Etobicoke.

It is possible that this type of development could be completed by severing this portion of the property, and seeking a commercial re-zoning. Therefore, it is still relevant to look at the existing provisions from this viewpoint.

The current OP provisions make a token reference to mixed commercial-residential developments in commercial areas. However, the new OP provisions take a much more positive approach by including a "mixed use" designation, and allowing residential in virtually all retail areas.

The proposed overall density and height controls would allow the concept schemes examined in this study. The maximum net density permitted on "mixed used" sites will be 2.5, and the maximum height will be limited to six storeys. The two schemes are both slightly over 2.0 and four storeys in height.

The main problem occurs over the residential mix requirement. A minimum of 70% of the floorspace must be in residential use. One of the schemes is 74% residential, but the other containing a floor of offices is only 50%.

The existing zoning provisions remain restrictive. The most likely zoning category for this type of development would limit the development to three floors, and only two dwellings per building. The latter indicates that the by-laws are based upon an out-of-date concept for this type of development.

6.2.3 North York

North York's Official Plan and the zoning by-law generally take a positive approach to mixed used developments on commercial lands. Residential uses as well as offices are generally permitted in commercial sites by both documents. Indeed, the OP goes further in stating that residential in commercial areas will be encouraged, in order to enhance the walk-in trade, provide a wider range of housing accommodation, and secure the more efficient use of available land resources. It also contains a "mixed use district" designation, which allows for a wide range of uses.

The OP states that the zoning will permit residential uses in all commercially-designated lands under these circumstances:

1) The residential uses are within a Residential Community where they can be easily served by community, recreational and educational facilities.

2) They are limited to upper floors to ensure that the commercial function of the commercial area is not displaced.

3) They will be limited to two storeys in height above the commercial space in order to prevent the over-utilization of the amenity space, community facilities and parking areas within the commercial area.

4) The overall density will be limited to a floor space index of 1.0.

Despite the progressive approach generally taken by these policies, they would not allow the development schemes tested in North York. There are two constraints:

1) The regulations limit the overall height to three storeys. The two schemes tested are 5 storeys in height. While an increased height is permitted through re-zoning, it is not clear whether these schemes could meet the prescribed conditions. These call for a separation of the parking, traffic, service areas and amenity space of the two uses.

2) The density limitation set by these regulations is a 1.0 FSI as-of-right, and up to 1.5 through re-zoning. The FSI for both schemes is about 2.0, if a separate development parcel is severed containing the building, access and associated parking.

With regard to the last point, it is fair to point out this FSI limit also appears to be restrictive when considered in relation to the other schemes tested in this study on smaller sites. If applied to the other schemes, a 1.0 FSI would limit the development to one level of housing over shops on small infill sites, and 1.5 to two levels of housing over shops.

As noted, rezoning for higher densities up to a 1.5 FSI may be permitted, if the development meets all of the Compatibility Criteria set out in the OP. These criteria set out a variety of conditions regarding traffic and transportation, pedestrian safety, off-street parking, environmental impact, and the stability of the nearby neighbourhoods. While this approach appears to be an innovative way of introducing some flexibility while protecting the neighbouring areas, it is frustrated by using a set of FSI standards that are too low.

The zoning by-law also is restrictive. It includes a consistent height control that limits the height to the lesser of 9.2 m or three storeys. It also introduces a minimum floor area of 55 m^2 per dwelling. The one bedroom units in the more affordable of the two schemes are based on 51 m2 net, which is a common provision in this type of housing. Therefore, this regulation would appear to rule out affordable smaller units.

6.2.4 Scarborough

The Official Plan in Scarborough allows mixed use in all commercial designations and also contains specific mixed-use designations where this form of development is to be encouraged.

In the OP, the site is designated "Neighbourhood Commercial". Limited redevelopment is allowed, but no guidelines are set out. (It is interesting to note that offices are also allowed, and the limit is 1000 employees per "commercial node". This would allow as much as 25,000 m2 of office development, which appears to be a very high figure.)

In the absence of specific controls for the existing OP designation for the site, it is relevant to look at the mixed-use designation that might be more appropriate for the site when considering this type of development. The OP has two specific mixed-use designations; both have development limits. The site conforms to the "Residential Mixed Use" designation. In this case, the residential density is limited to 100 units per hectare (40 dw/a), and the commercial to an FSI of 0.5. These two limits may be cumulative.

The commercial limit would have restricted only the densest of the five tested schemes. This scheme, which contains three floors of offices as well as ground-floor retail, has an FSI of 0.86. The other more conventional schemes ranged from 0.27 to 0.33.

The residential density control also would have affected only one of the schemes. This scheme, which has four floors of housing over shops, has a density of about 120 units/ha (50 dw/a). However, it should be pointed out that this site is slightly over-sized for this type of development by virtue of its extra depth. If this same control were applied to a site with a more conventional depth, it would probably limit the development to a maximum of two floors of housing over shops.

The zoning for the site, which is "Neighbourhood Commercial", is restrictive in two notable ways. There is no mention of residential uses being permitted in this designation. Also, the maximum gross floor area is limited to 0.33. All of the mixed used schemes tested on this site exceed this figure, as they range from 0.58 to 1.38.

6.2.5 York

Both the Official Plan and zoning by-law in York contain provisions for mixed-use commercial and residential projects. In the OP, the specific site is designated "Mixed Commercial and Residential", which allows for the development of commercial uses or a combination of commercial and residential. In the zoning by-law, it is designated "General Commercial", which allows dwelling units "incorporated in a commercial building."

The zoning sets various controls upon development. These include a height limit that is the equivalent of five storeys, a flexible frontyard setback that is based upon adjacent development, a maximum overall FSI of 3.0, and a maximum residential density of 1.0 FSI or 124 units per hectare (50 units/acre).

The main problem with these controls revolves around the limits on residential density. Both of the concepts, which have three storeys of housing over retail, have an overall FSI of 2.4, but a residential density of 1.8 and 233 dw/ha (94 dw/a). To meet this limit would entail providing only a floor and a half of housing on the site.

6.3 Recommendations

Although the primary focus of the study is on the economics of this form of housing, the findings indicate where some key changes should be made in the existing regulatory framework of the municipalities. It should be realized that these recommendations are not based on a thorough study of the various potential building forms. If there is a single overall recommendation, it is that a study of this nature should be undertaken so that all of the development implications can be explored in order to provide a sound basis for new and more favourable controls.

The recommendations are provided under four major headings:

1) **reduce parking standards whenever possible.**

Parking has emerged as the single most important regulatory constraint on achieving the more intensive forms of mixed-use development. The schemes generally proved to be viable as long as all of the required parking could be proved at grade. However, whenever underground parking was needed -- which generally occurred at heights over two or three storeys -- it tended to undermine the financial performance of the schemes.

Consideration should be given, therefore, to lowering the parking standards wherever possible. Sites near high capacity (frequent) public transit -- particularly, those within walking distance of rapid transit facilities like the subway -- should be prime candidates for lower standards. Further study will be needed here to determine what the most appropriate standards might be.

The municipalities also should examine and utilize some of the innovative practices of other municipalities in the Metro area. These include the following:

- Scarborough allows for lowering its standard from 1.3 to 1.1 where the visitors parking can be reasonably accommodated elsewhere, such as, in mixed use projects.

- York allows reductions in the commercial parking requirement, if warranted "by reason of siting, location or design." Also, this requirement may be deleted if an equivalent cash contribution is made to the Parking Authority.

- o Etobicoke has a variable standard, with a lower standard required for smaller units than for larger ones. Unfortunately, the actual requirements in this case appear to be excessive, but this does not upset the principle.

- o Toronto permits lower parking standards for "assisted housing" projects, which are maintained through a legal agreement between the City and developer.

- o Peel has parking standards in non-profit housing projects that are related to the mix of rent levels.

As noted in the earlier text, two municipalities should examine the appropriateness of their existing standards. In comparison with the other municipalities, the residential standard in York and both the residential and commercial standards in Etobicoke appear to be out of line. In both cases, the sites examined were in compact inner-city areas relatively well served by transit. Nevertheless, the respective standards were similar to those in the area municipalities with more suburban and more car-oriented environments.

2) **establish density and bulk standards that permit more mixed use development as-of-right.**

Most of the municipalities, with the exception of East York, have policies in their existing or impending Official Plans that appear to favour this type of development. However, when their respective regulations are applied, there are always one or more provisions that cannot be met. In general, the specific regulations appear to be cautious, and more concerned with protecting the neighbouring areas than promoting this form of development.

Further efforts are needed in all of these municipalities to explore the possible range of development forms that might be generated by these projects, and then to define more liberal controls that will permit these development without time-consuming and costly OP and zoning amendments, while still protecting abutting areas. It is very likely that different controls will be necessary for small sites and for large ones. As part of these efforts, more sites should be given "mixed use" designations in order to take advantage of these provisions.

At the same time, the zoning by-laws should be brought in line with the Official Plan policies. While OP amendments cause more delay than zoning changes, re-zoning also will frustrate many potential schemes. With the exception of York, all of the municipalities with progressive OP policies have restrictive and out-of-date zoning provisions.

As the notable exception to all of the above, the current Official Plan in East York neither recognizes nor in any way promotes the concept of mixed-use development. The zoning by-laws also are very restrictive. Clearly, this municipality should examine its mixed-used policies and regulations across the board.

3) **remove the standards that favour larger units over smaller and more affordable ones.**

A number of standards in the existing regulations have a bias toward larger units over smaller units. These will work against achieving more affordable housing in these developments.

Two of the municipalities, Scarborough and York, express their residential density control in units per hectare. Faced with this control, subject obviously to the market conditions, most developers will build larger units to the permitted limit rather than the same number of smaller units. These density controls should be expressed in terms of maximum floorspace per site area, such as FSI. This measure tends to favour smaller units because more small units than large ones can be developed within the limit.

Undifferentiated parking and open space standards also favour larger units over smaller ones. It would be desirable, but may not be possible, to have lower parking standards for smaller units. As noted, however, Etobicoke currently does this. With regard to open space standards, on the other hand, it certainly seems both reasonable and possible to have graduated standards in place of a single figure, such as that used in East York.

There also is no need for controls on the minimum unit size. North York in its zoning by-law sets a minimum floor area of 55 m2 per dwelling. This standard discourages the development of smaller units, particularly one bedroom and bachelor units in the affordable housing range. It should be realized that the Ontario Building Code already indirectly limits unit sizes on the basis of safety and amenity; any additional municipal control is redundant.

4) **examine further the potential for infilling older high-rise residential sites.**

Many older high-rise residential projects have free-standing apartment towers built well back from the street. The frontyards of these structures are often poorly landscaped, and adversely affect the streetscape by breaking the continuity of the development along the street. As shown in the case studies, some appear to offer an opportunity for infilling along the street with a low-rise mixed-use structure, without disturbing the existing structure. In addition to providing more housing, this sort of development would enhance the street environment.

The potential for additional development occurs because many of these projects have been designed to higher parking standards than now needed. Taking as an example the project used in this study, it has been designed to provide 1.25 spaces per unit. However, as indicated earlier, this standard could justifiably be reduced to 1.0-1.1 spaces per unit. This would release between 52 and 87 spaces, which are more than needed for the envisaged infill schemes for this site.

This type of development, like the others, should be permitted as-of-right. Because it represents a relatively novel approach, further study is needed on what controls should be put in place to ensure that it is compatible with its surroundings.

7.0 IMPLEMENTATION STRATEGY

7.1 Introduction

Previous Chapters have shown the importance of the provision of housing on major roads in meeting the current and future housing needs of Metro, particularly for affordable accommodation. The Financial Analysis demonstrated that considerable potential exists across Metro for various forms of medium scale, mixed-use development, although not every site proved conducive to this approach. Both the literature review and the case studies further indicated that the financial feasibility of housing along major roads could be enhanced through changes in planning regulations in some areas. At the same time, it is clear that considerable work is required to communicate these findings and to further encourage and support the implementation of the concept.

In order to contribute effectively to overcoming identified constraints and enhancing the provision of housing along major roads, it is clear that Metro Council should identify and adopt an **Implementation Strategy for Encouraging Main Streeting in appropriate locations across Metro**. This Implementation Strategy should consist of four key elements:

- Changes to **planning regulations** in order to eliminate some of the regulatory obstacles facing potential providers of housing along major roads;
- Implementation of **financial incentives** to encourage more activity of this nature;
- A **marketing strategy** designed to inform and educate all key individuals and organizations about the provision of housing along major roads and, ultimately, to encourage more activity;
- **Administrative changes** to facilitate the delivery of housing along major roads.

In this Chapter, we discuss these elements and suggest an Implementation Strategy that would assist Metro in achieving its objectives regarding the provision of housing along major roads.

7.2 Changes to Planning Regulations

Section 6 suggested a number of changes to planning regulations in municipalities across Metro which would enhance the provision of housing along major roads. Before consideration is given to these changes, it is first necessary for Metro Council to express its support for the "Mainstreeting" concept.

This report has shown the financial feasibility of a wide range of medium scale mixed-use commercial/residential development forms on a variety of types of sites across Metro. In view of these findings, Metro Council should amend its Official Plan to include a policy encouraging development of this nature along major roads. The Metro Planning

Department should formulate an appropriate Policy Statement for inclusion in the Metropolitan Toronto Official Plan.

This Policy Statement should encourage area municipalities to implement this Statement through appropriate amendments to their Official Plans and Zoning Bylaws. As noted in Section 6 of this report, these amendments would address four main concerns:

1) **reduce parking standards whenever possible**

2) **establish density and bulk standards that permit more mixed use development as-of-right**

3) **remove the standards that favour larger units over smaller and more affordable ones**

4) **examine further the potential for infilling older high-rise residential sites**

Section 6 went on to detail a number of specific recommendations in this regard. A key component of Metro's Implementation Strategy, therefore, should be to work with area municipalities to assist in developing appropriate policies and regulations that address these concerns.

7.3 Financial Incentives

The Implementation Strategy adopted by Metro Council should consider financial mechanisms which would enhance and support the provision of housing along major roads. Some potential approaches are discussed below.

- **Joint Ventures with Non-Profit Housing Corporations**

  The financial analysis showed that in most cases, the development of non-profit housing as part of mixed-use commercial/residential projects along major roads is financially feasible. Thus, it would be highly attractive to encourage private owners of commercial properties and sites along major roads to enter into joint ventures with non-profit housing corporations for the development of such projects.

  These arrangements would have several advantages to the private owner. First, they would enable the private owner to realize the profit potential of the commercial component without incurring the potential negative returns of the residential component in some cases. Second, the private owner could also realize the increased land value created by the housing component and would be paid up-front in cash under the provisions of the non-profit program.The owner might also benefit by carrying out the contracting and even by undertaking property management of the units, thus generating further revenues.

  From the standpoint of the non-profit housing corporation, this approach would create a great many more sites across Metro.Given the current scarcity of land, this

would be a major benefit. Second, these locations would generally be highly accessible and provide convenient access to a wide range of services.

Finally, from the Ministry of Housing's standpoint, this approach would offer many advantages. Because the most suitable projects are smaller developments, the Ministry could generate a large number of initiatives with a relatively small amount of its unit allocation. This is highly desirable in these days of tight Ministry budgets for non-profit housing. At the same time, our analysis showed that these projects likely would come in well below M.U.P.'s, which is another fundamental objective of the Ministry. Finally, the approach would lend a great deal of support to the Ministry's efforts to encourage intensification.

Our own work with several non-profit housing corporations has found a keen interest in this approach. Discussions with the Ministry of Housing indicate that they are fully willing to consider such projects, providing, of course, they can meet all Ministry program guidelines with respect to capital budget, unit designs, target groups and so on. Our review of the case studies and a number of projects with which we have worked indicate that these criteria can be met in most cases and the approach is quite feasible. Thus, Metro should strongly encourage the Ministry of Housing to promote and fund this approach to the provision of non-profit housing.

- **Convert-to-Rent Supplement Program**

Experience elsewhere has shown active take-up of financial assistance programs to create housing in locations such as mixed-use projects along major roads. Discussions with developers and property owners indicate that the current limit on Convert-to-Rent funding of $7,000 is largely insufficient to encourage much activity within Metro, as the financial impact is minimal. Accordingly, a Supplement Program whereby Metro matches these funds through low-interest or interest-free loans might be sufficient to generate considerable additional activity. Loans of $14,000 would be sufficient, for example, to overcome the cost of underground parking spaces in most developments.

The literature review indicated that the City of Kingston has met with considerable success in encouraging the provision of housing along major roads through its own initiative of this nature. Recent discussions, indicate they have recently changed the terms of their program to a maximum loan of $30,000 per unit with an 8% interest rate and are receiving an even stronger response, particularly from small retail owners and landlords. Metro should carefully consider establishing a similar program to supplement the Provincial Convert-to-Rent Program and should also strongly urge the Provincial Government to increase funding support for its program.

A further idea discussed with the study Steering Committee was the potential for a subsidy program for affordable ownership (condominium) units built over commercial/retail developments along major roads. There have been precedents on several occasions for ownership programs funded by the federal and/or Provincial government. In most cases, they have been directed to first-time home buyers to

assist them in entering the ownership market.

There has been varying experience with the results of such a program. One of the most difficult problems encountered has been that, as housing prices and interest rates rise, the relatively modest amount of funds that can be directed to such programs has a very minimal impact on the ability of these households to purchase such units.

Nevertheless, there have been some recent home ownership support initiatives of interest, such as in the Town of Newmarket, where the Town is participating in writing down second mortgages for first-time buyers of affordable ownership units. Metro should investigate approaches of this nature, and should request the Ministry of Housing to consider potential funding programs which would support the development of ownership units in mixed-use projects along major roads. Given the recent softening of the residential real estate market in the Metro area, such a program could both improve affordability for many households while at the same time encouraging appropriate activity within the development industry.

- **Joint Ventures with Municipalities**

Municipalities, including Metro, often own inventories of property which may be suitable for housing along major roads.Some of these properties are in active use at present, but could be suitable for intensification.It may be possible for Metro and its area municipalities to undertake joint ventures with non-profit groups and/or private owners whereby mixed commercial/residential projects are developed on lands owned by the municipality.Metro could decide on its own lands, for example, to lease the land at an initial low cost in order to improve the financial feasibility of such projects while leaving the land in the ownership of Metro.

Part of the implementation strategy, therefore, should include efforts by Metro to determine which of its properties may be suitable for the inclusion of housing along major roads and to link up with non-profit and private developers to develop appropriate forms of accommodation.

- **Tax Initiatives**

Discussions with accountants indicate there are very few special tax initiatives available to encourage activity of this type.As with any private real estate investment, the owner of the property is entitled to deduct Capital Cost Allowance where the operations of the building are earning positive returns, and is currently entitled to a lifetime $100,000 Capital Gains Tax Exemption.Combined with the equity growth which has been experienced within Metro over time, the long-term financial and tax advantages likely would be attractive, particularly to the small investor.Thus, Metro could promote this aspect to small owners and landlords across Metro.

7.4 An Effective Marketing and Promotion Strategy

7.4.1 Introduction

A third major element of the Implementation Strategy for Housing Along Major Roads is the development and implementation of an effective marketing strategy to promote and encourage activity of this nature. To be ultimately effective, marketing strategies should be developed within a logical framework identifying:

- o the message being conveyed
- o current and targetted level of acceptance of the concept
- o the key stakeholders to whom the concept is being marketed
- o key personnel involved in implementing the marketing strategy
- o timing to be followed
- o marketing techniques to be utilized

Below we address each of these areas in order to outline an effective strategy for marketing the concept of housing along major roads.

7.4.2 Concepts To Promote (The Message Being Conveyed)

The objective of the marketing strategy is to persuade the stakeholders to accept the concept of residential development along major roads.

The literature review and interviews with stakeholders have identified a number of messages to deliver to stakeholders:

1. There is a need for the provision of more housing within the municipality, particularly housing affordable by those of low and modest income.
2. There is a shortage of sites available for residential development.
3. There is a need for on-going physical revitalization of the municipality.
4. Residential redevelopment along major roads provides an opportunity for making more efficient use of existing public infrastructure.
5. Housing along major roads creates the potential for providing accommodation closer to jobs, creating more varied communities, and enhancing the tax base within Metro.

6. Aesthetically it is a favourable concept (i.e. European Style).

7. Metropolitan Toronto as facilitator will provide assistance to small property owners and developers interested in the concept.

8. There is money to be made in developments of appropriate size and location.

These benefits should be highlighted throughout the marketing campaign.

7.4.3 Acceptance Continuum

We have identified a framework which will illustrate where the various stakeholder groups stand with respect to understanding or accepting the idea of residential redevelopment along major roads in Metro Toronto.

There are four points on the **"acceptance continuum"**, as we call it:**awareness, consideration, preference and acceptance.**

Awareness: refers to those stakeholder groups which have merely heard about the concept and, therefore, are simply aware of it.

Consideration: means that the stakeholder groups have given the concept some thought but have not passed judgement as yet.

Preference: means that the stakeholder groups have already determined that the concept has merit but it must still be demonstrated that it is worthwhile becoming involved.

Acceptance: means that the decision has been made to take action.

Different messages must be delivered to the groups at the various stages on the continuum. Appropriate communication and marketing approaches would have to be developed for each of these stakeholder groups recognizing, of course, that the main emphasis will have to be placed on marketing the ideas to those directly responsible for implementing the concept, primarily the small retail property owner. Nevertheless, successful implementation by these sectors will be contingent on the acceptance of the idea by the other stakeholder groups as well.

7.4.4 The Stakeholder

Our literature review found that the winning elements in mixed-use projects of this nature include a combination of creative, willing public sector officials, patient developers, and cutting-edge planners and designers. The success of the Metro Toronto marketing strategy will depend on gaining the support of these stakeholders, among others.

The literature review and discussions with representatives of the development industry identify a number of important stakeholders:the Provincial Government (the Ministry of Housing and the Ministry of Municipal Affairs); Metro Toronto; constituent municipalities (Toronto, North York, Etobicoke, etc.); private developers and their consultants (e.g. architects, planners, etc.); other housing providers (e.g. co-ops and non-profit housing groups); financial institutions (e.g. banks, trust companies, mortgage lenders, etc.); and the small retail property owner.

These stakeholders' current interest in residential intensification along major roads is discussed briefly below.

Metro Toronto: The Municipality of Metropolitan Toronto could be quite influential in promoting the concept of housing along major roads. Metro's role in the marketing strategy could be key to getting other stakeholders on side, especially the constituent municipalities and senior level governments.

While some Metro staff, particularly the Planning Department, are already at the acceptance stage along the continuum, staff in other departments may not have reached this stage. For this reason, we are suggesting some internal education/information sessions for staff in other departments (eg. Housing, Parks and Property) and possibly for members of Council to better familiarize them with the concept and obtain their support and assistance in promoting and implementing development of this nature.

Metro's Land Management Committee would be a particularly important body to include in such initiatives. The findings of this Report should be presented to the Land Management Committee in a special information session and members of the Committee should be encouraged to help look for opportunities of this nature.

In order to facilitate such presentations, the Planning Department should prepare an information package that would incorporate the results of this study and any additional information/research that has been carried out by the Planning Department. This information package could also be used by area municipality staff to further promote the concept in their areas as well.

Provincial Government: The support of the Ministry of Municipal Affairs and the Ministry of Housing, the principal provincial government agencies involved with intensification, is necessary for the success of the marketing strategy.

These two Ministries are aware of the concept and appear to be moving towards the preference stage. The two Ministries authored the Land Use Planning for Housing Policy Statement which promotes the concept of residential intensification.

Our experience with the potential development of non-profit housing along a major road reveals that even though the Ministry of Housing has considered the concept, Ministry staff do not appear to be at the preference stage. It is our suggestion that

marketing to Ministry of Housing staff is crucial for non-profit housing providers to come on side and possibly private developers through the convert-to-rent program.

Municipalities: There are indications that a number of constituent municipalities within Metro are beginning to consider the advantage of permitting some residential redevelopment within commercial areas. For the purpose of the "acceptance continuum", it will be assumed that different municipalities are at varying stages of acceptance---from consideration to acceptance.

Private Developers and Consultants: The development industry is considering residential intensification along major roads to a varying degree.To some, residential intensification is one of the preferred methods of providing affordable housing in Toronto.Other developers are aware of the concept but are still leery of its feasibility.

The Toronto Home Builders Association organized a charrette on affordable homeownership and, intensification was identified as one of the major methods of providing affordable housing in Toronto.However, it was also noted that attracting builders to projects providing affordable housing, especially rental with its limited profit margins, is sometimes difficult.The intensification task group concluded that there are limited financing options available to developers of such projects and there may be a degree of financial risk for the developer of an intensification project due to a variety of factors including the approvals and the novelty of the concept.

Another reason why redevelopment along major roads has not occurred to a great extent could be that developers believe such developments are not economically feasible.As has been demonstrated in the financial analysis of the five case studies, however, there are a wide range of opportunities which are financially feasible and attractive, particularly to smaller developers and landlords.It will be important to ensure developers are aware of the most appropriate scale of redevelopment and the financial options available to them.

Housing Providers: There are numerous autonomous housing providers in Metro Toronto.Some of the larger non-profit housing corporations (M.T.H.C.L.,City Home, Co-operative Federation) realize that with the limited supply of land in Metro Toronto, redeveloping commercial properties along major roads is critical to the provision of affordable housing.There are indications that some of the smaller non-profit groups are also considering this concept.With respect to the marketing strategy, it will be important to educate resource groups (i.e. development consultants, architects, etc.) in order to educate a wider range of non-profit housing providers.

Financial Institutions: Discussions with financial institutions indicate some reluctance to support the concept of mixed-use development along major roads, particularly where affordable housing is included.Lenders tend to be concerned that the residential component will negatively affect the performance of the more financially attractive commercial component, in terms of both overall rates of return and also day-to-day problems with parking and other management concerns.Lenders need to be better educated about the importance of this form of development to

TABLE 7.1
ACCEPTANCE CONTINUUM

	Awareness	Consideration	Preference
Marketing Techniques	1. Pamphlet/Mail out 2. Media	1. One-on-one Meeting 2. Long version of report 3. Presentation/Seminar 4. Display 5. Slide Show/Video	1. Short version of report 2. Networking 3. Demonstration Project 4. Train/Educate Staff
Metro Toronto			1. Train/Educate staff 2. Short version of report
Ministry of Municipal Affairs			1. One-on-one meeting 2. Long version of report 3. Short version of report 4. Train/educate staff
Ministry of Housing		1. One on-one meeting 2. Long version of report 3. Presentation/seminar	1. Short version of report 2. Train/educate staff
Constituent Municipalities		1. One on-one meeting 2. Long version of report 3. Presentation/seminar	1. Short version of report 2. Demonstration project 3. Train/educate staff
Developers And Their Consultants	1. Report/mail out 2. Media	1.Presentation/seminar 2. Display 3. Slide Show/video	1. Networking 2. Demonstration Project
Housing Providers And Their Consultants	1. Report/mail out 2. Media	1.Presentation/seminar 2. Display 3. Slide Show/video	1. Networking 2. Demonstration Project
Financial Institutions	1. Report/mail out 2. Media	1.Presentation/seminar 2. Display 3. Slide Show/video	1. Networking 2. Demonstration Project
Small Property Owner	1. Pamphlett/mail out 2. Media	1.Presentation/seminar 2. Display 3. Slide Show/video	1. Networking 2. Demonstration Project

Metro's future. A particular emphasis should be placed on educating upper levels of management who develop policies and guidelines which local branches must follow.

Small Retail Property Owner/Absentee Landlord: As was mentioned previously, this is a group which is large in number, with varying interests, expertise, and available capital. Some merchants along major roads are well-organized and interested in investigating methods to improve their financial situation. Merchants that are members of a Business Improvement Association would most likely fall into this category. There are other merchants, however, that are busy keeping their business afloat and have had little time to think about the possibility of redeveloping their property.

Support from another group of stakeholders will also need to be secured once it is decided that such a redevelopment will be undertaken in a particular location---the neighbourhood residents. Municipalities have discovered that by not involving the local residents in the redevelopment planning process, their best-laid plans have often failed.[3] It was also noted by the intensification task group at the Affordable Homeownership Charrette that although community resistance was not seen as a major obstacle to the mixed-use redevelopment of retail strips, early community involvement in the planning process is a good idea to ensure the scheme's success.[4]

For the purposes of this initial marketing strategy, neighbourhood residents will not be included in the group of stakeholders to be educated.

Table 7.1 illustrates the varying degrees of acceptance of the stakeholders. In most instances, stakeholders within the same group are located at differing intervals along the continuum. As is illustrated in Table 7.1, we have assumed that some marketing will be required for all stakeholders (i.e. none of the stakeholders are at the acceptance stage).

7.4.5 Key Personnel

Depending on the parameters of the marketing strategy, any or all of the following personnel could be utilized:

- o Metro Planning Staff
- o Metro Councillors
- o Other Municipal Planning Staff (i.e. North York, Etobicoke, etc.)

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[3] Bender, David. "Marketing: Rate It As A Key To Success" **Urban Land.** May 1984: 25.

[4] Toronto Home Builders Association. **Affordable Homeownership Charrette.** Toronto: 1988 P. 66.

TABLE 7.2

METRO TORONTO ADVOCACY/COMMUNITY ACTIVITIES - CRITICAL PATH

TIME LINE	Stage I	Stage II	Stage III	Stage IV	
ACCEPTANCE CONTINUUM					
Awareness	-Preparation of Pamphlets to Stakeholders at this end of continuum -Initiate Media Campaign to Introduce Concept/ Study Results	-Preparation of Technical Articles for Appropriate Publications	-To Steps under Consideration Point of Continuum		
Consideration	-Conference/ Presentation/Seminar on issue with Appropriate Stakeholders as Participants & Audiences	-Metro Advocacy Group to meet with Appropriate Stakeholders on one-on-one basis	-Reinforce Meetings with Distribution of Full Report	-Preparation of General Educational Material for use by Stakeholders re Displays; video/ slide show	To Steps under Preference point of Continuum
Preference	-Initiate Networking Process with Stakeholders in Preference Stage -Initiate Education Process for Metro & Min. of Housing Staff -Provision of Short Report	-Undertake or Organize Demonstration Projects with Appropriate Stakeholders			

NOTE: There are 3 streams of activity that should be undertaken simultaneously. However, they can also be adopted sequentially as stakeholders move along the acceptance continuum.

- Consultants
- Media (i.e. local reporters, publishers, etc.)

We believe that the most effective approach likely would be for the Policy Planning staff to act as lead in this effort. They have developed a comprehensive understanding of the concept and are in a strong position to co-ordinate the above groups to market the concept.

7.4.6 Timing

Timing of the marketing strategy is crucial. Stakeholders are at various stages along the continuum and different stakeholders should be used to assist in moving other stakeholders along the continuum.

For instance, Metro staff and the Ministry of Municipal Affairs have been identified as those stakeholders at the preference stage.The marketing strategy should commence with attempting to move these stakeholders to the acceptance stage.Once these stakeholders have accepted the concept, they could be utilized to move the stakeholders at the consideration stage (i.e. Ministry of Housing and constituent municipalities) to the acceptance stage and so on.

In other words, the marketing campaign aimed at the small property owner would not commence until a good number of the other stakeholders have reached the acceptance stage. Figure 7.2 illustrates the timing and sequence of marketing actions which should be undertaken.

7.4.7 Marketing Techniques

A number of marketing techniques have been identified.The actual techniques to be used in the marketing strategy would be dependent on the clarification of the some of the following questions.

- What are the budget parameters of the marketing campaign?
- What resources will be made available (i.e. Metro Planning Staff, in-house materials, location for displays, etc.)
- What are the objectives of the campaign (i.e. general public education, providing incentives to municipalities, developers, etc.)?
- Will the computer model be made available to assist in marketing concept?

Marketing techniques to be implemented at the various stages of the acceptance are discussed in the following.

o **AWARENESS**

Pamphlet/Mail out

A concise pamphlet with concept drawings as illustrations should be prepared. The pamphlet should be developed so that it addresses the various interests of the stakeholders at the awareness stage.

The pamphlets could be mailed to stakeholder groups across the municipality. With the exception of the small retail property owner, lists of the other stakeholders working within the Metro Toronto area are easily accessible. These pamphlets could also be mailed to a sample of small retail property owners using Canada Post's postal walk service.

Mailouts (brief information letter or pamphlet plus letter) could be used to announce presentation seminars, availability of study results, etc.

Media

The media (newspapers, television, radio) is most effective in providing exposure of various ideas. Although most advertising campaigns using the media are costly (i.e. advertisements in newspapers, air-time on t.v. or radio), it is possible to utilize the media at no charge by securing interviews on t.v. or radio talk-shows or through feature articles in newspapers, magazines, industry publications, etc.

Different messages will be sent to the stakeholders at the various stages of the continuum.

o **CONSIDERATION**

One-On-One Meeting

It would be useful for Metro Toronto staff to meet with the constituent municipal and Ministries staff and, if necessary, politicians to inform them of the results of the report and to get them on side. It is crucial for such meetings to take place early on in the marketing strategy; however, such meetings may be necessary at other times during the implementation of the strategy to keep these stakeholders informed of progress to date, further information, etc.

Metro sessions with constituent municipal staff would be aimed at:

- gaining their acceptance of the concept
- securing their co-operation in promoting the concept(i.e. brochures, displays at their city hall)
- gaining their commitment to making regulatory changes to facilitate development.

Metro sessions with Ministry staff would be aimed at:

- gaining their acceptance of the concept
- securing their co-operation in promoting the concept to developers and other housing providers (i.e. brochures, displays at their regional offices)
- convincing them to make changes to program guidelines which would assist in facilitating redevelopment along major roads (i.e. allow lease agreements for non-profit housing providers, increase convert-to-rent funding)
- convincing them to eliminate provincial obstacles (i.e. rent review)
- securing funding from the Ministry for the marketing strategy (i.e. Neighbours Program)
- selecting a non-profit housing project as a model for the demonstration project
- appointing a member from both Ministries to the network team.

Distribute Report

Metro Toronto staff may want to distribute copies of this report to appropriate Metro staff, constituent municipality staff and Ministry staff. It may be appropriate to review the contents of the report during the one-on-one meeting.

Presentation/Seminar

Seminars, workshops or presentations at association meetings could be held.Presentations/Seminars are useful techniques to promote the concept to a large group of people during a relatively short time frame.For example, it would be nearly impossible for Metro staff to meet one-on-one with all the developers, housing providers, financial institutions, etc.; however, a seminar is able to reach a large number of people all in one day.

The dates of the seminars could be promoted in newspapers, radio and television (cable).Seminars should include a speaker, displays and the opportunity for private consultation afterwards.

Possible Presentations:

- Metro Toronto sponsored presentation
- Home Builder's Association Meeting
- Trade Shows - Residential Construction
- Non-Profit/Co-operative Housing Association Meeting
- Ontario Association of Architects Meetings
- O.P.P.I.

This is a good opportunity for stakeholders to network with others interested in this redevelopment option.It is also a good time to find out if any of the stakeholders are interested in participating in a demonstration project and if they know of any appropriate sites.

Display (Travelling)

A display located at the Metro Toronto Municipal Offices or possibly a small scale display which can be relocated to different areas around Metro (i.e. travel to constituent municipalities, seminars, etc.) could be prepared.The display location could include poster-type concept drawings, copies of this study, pamphlets, etc.

It would be essential to gain the support of constituent municipalities and the Ministries in order for this marketing technique to be most effective.

Slide Show/Video

Slide shows and videos are increasingly popular tools which can be put together at a fairly reasonable cost and used at the Seminar/Presentations, display booths etc.The video would be utilized to demonstrate the architectural and financial feasibility of the concept by illustrating successful redevelopments.The slide show could be used for the same purpose by using the drawings and financial model developed in the report.

The feasibility of this form of marketing will be dependent on identifying successful mixed-use redevelopment projects.

o **PREFERENCE**

Distribute Copies of Report

Copies of this report could be made available to all interested stakeholders.

Training & Education

Education sessions are a necessary element of the marketing strategy as they will help to ensure all Metro departments are aware of the concept and the overall marketing strategy.

Metro staff most familiar with the concept should help educate/inform internal departments in order for them to assist in promotion.Further, area municipal staff and Ministry staff may also want to participate in a training seminar which would outline the manner in which Metro believes the concept should be marketed.Training and education would be necessary for constituent municipality and Ministry staff who will be part of the Network Team (see below).

Networking

The Metro Toronto planning staff may be used to facilitate networking among stakeholder groups.Other marketing material (i.e. pamphlet, display) could identify Metro Toronto as a liaison between small property owners and the other stakeholders (i.e developers, architects, etc.).

Also, a networking team could be established with members from Metro, the constituent municipalities and the Ministries.Each of these government agencies would appoint a representative to the team who would be the liaison person to the many other stakeholders (i.e. developers, housing providers, small retailers, etc.).Appointing specific people to act as liaisons will ensure a consistent message is sent to stakeholders and a most efficient process is established to assist interested stakeholders.

Demonstration Project

With the assistance of the networking team, a project could be developed which would demonstrate the feasibility of the concept and identify possible barriers which would need to be overcome.The Ministry of Housing has been involved in sponsoring demonstration projects in the past and may be willing to participate financially in such a project.

7.5 Municipality of Metropolitan Toronto As Facilitator

The fourth major element of the Implementation Strategy is comprised of administrative initiatives and changes Metro can undertake to help facilitate the development of housing along major roads. In this Section we briefly outline approaches which should be considered.

The literature review indicated that an effective technique to help facilitate development of this nature is the establishment of a Main Streets office. Given the key co-ordinating role of Metro in this whole initiative, Metro should establish such an Office to offer technical support to potential providers of housing on major roads and to help encourage approval of such projects.

The Office would liaise on a regular basis with constituent municipalities to gain their co-operation and assistance in bringing projects to development.A Co-ordinating Committee comprised of staff from the Metro Main Streets Office and from the area municipalities should be established to meet on a regular basis in order to exchange information and help further expedite developments of this nature.

The Office would also assist individuals in obtaining any available financial support from programs such as Convert-to-Rent and/or any new programs established by Metro for this purpose. The Office could also ultimately be responsible for undertaking the marketing and

promotion strategy on an on-going basis.

A further administrative change which should be considered is streamlining the approval process within Metro for developments of this nature. While this study did not examine the current approval process within Metro, there may be steps which could be implemented to accelerate applications for housing in mixed-use projects along major roads. For example, an internal committee could be established comprised of all Metro Departments involved in the circulation and approval of such applications. The terms of reference for this committee could be to give preference to such applications and to help expedite their approval. This approach should be given strong consideration, as the length and complexity of the approval process often discourages activity, particularly by smaller developers and landowners, who are the main target group of Metro in this initiative.

A third key administrative action would be to establish the Metro Planning Department as the centre of research into "Mainstreeting". The Planning Department should continue to carry out on-going studies into all aspects of housing along major roads and liaise with other communities undertaking similar initiatives. They should monitor all developments of this nature across Metro and produce an annual report showing the results. This information would continue to be of strong use in promoting and encouraging further development activity of this nature. Their work program could be closely related to the activities and needs of the proposed Metro Main Streets Office and provide strong support to the Office on an on-going basis.

Further, Metro could participate more actively in the process of creating more housing of this nature.For example, the Metro Toronto Housing Company Limited and any other Metro-related housing agencies should be encouraged to give priority to housing developments in mixed-use projects along major roads. They should also encourage the Metro Parks and Property Department to ensure that surplus Metro properties along major roads are offered to non-profit housing groups and/or other developers on condition that small scale mixed use projects incorporating both commercial and affordable residential uses are developed. The Main Streets Office could be given the function of working with these Departments to help ensure these steps are facilitated.

Also, as noted earlier, Metro could also play a key financial role through establishing its own assistance program in a similar fashion to the Kingston initiative as a supplement to the Convert-to-Rent Program.The program could operate as a low-interest or interest-free loan to be provided by Metro in association with Convert-to-Rent loans for affordable housing provided along major roads. The Program would be administered by the Metro Main Streets Office.

Such activities would clearly enable Metro to play a strong leadership role in generating the types of housing so urgently needed across Metro in the future.

8.0 CONCLUSIONS AND RECOMMENDATIONS

8.1 Conclusions

This study has clearly demonstrated that the development of housing along major roads of Metro Toronto in small and medium scale (under six storey) mixed-use commercial/residential projects holds considerable promise for meeting some of Metro's most pressing housing needs. Non-profit housing, affordable and luxury condominiums and, in many cases, private rental housing can be provided in a financially feasible manner on a variety of types of sites across Metro. The feasibility of such developments can be enhanced through changes to local planning regulations which would reduce capital costs and facilitate development approvals.

The study has shown that Metro itself can play a key leadership role in this initiative by adopting an aggressive Implementation Strategy comprised of four key elements:

- Changes to **planning regulations** in order to eliminate some of the regulatory obstacles facing potential providers of housing along major roads;
- Implementation of **financial incentives** to encourage more activity of this nature;
- A **marketing strategy** designed to inform and educate all key individuals and organizations about the provision of housing along major roads and, ultimately, to encourage more activity;
- **Administrative changes** to facilitate the delivery of housing along major roads.

Below we outline a series of recommendations through which this Implementation Strategy can be achieved.

8.2 Recommendations

We recommend that Metro adopt the Implementation Strategy set out in this report by undertaking the following actions:

1. Changes to Planning Regulations

1.1 The Metropolitan Toronto Planning Department should formulate for inclusion in the Metropolitan Toronto Official Plan a Policy Statement encouraging the provision of small and medium scale (under 6 storey) mixed-use commercial/residential developments along major roads of Metro.

1.2 The Council of Metropolitan Toronto should encourage area municipalities to implement this Policy Statement through appropriate amendments to their Official Plans and Zoning Bylaws. These amendments should be formulated in accordance with the recommendations set out in Section 6.3 of this report, namely,:

1) **reduce parking standards whenever possible**

2) **establish density and bulk standards that permit more mixed use development as-of-right**

3) **remove the standards that favour larger units over smaller and more affordable ones**

4) **examine further the potential for infilling older high-rise residential sites Metro Planning should work closely with area municipalities to assist them in formulating appropriate amendments.**

1.3 **Metro Toronto, in conjunction with the area municipalities, should undertake a physical design study of mixed-used development particularly on smaller sites.** These sites (roughly in the 0.5 ha and less range) seem to be particularly affected by the existing regulations that seemed to be aimed at protecting the abutting neighbouring areas rather than promoting this form of development. A study of this nature would be very important in providing the supporting information needed by those municipalities seeking to implement less restrictive standards that allow more development as-of-right.

2. Financial Incentives

2.1 Metro should encourage joint ventures between private owners of commercial properties along major roads and non-profit housing corporations.

2.2 Metro should request that the Ministry of Housing place particular emphasis on allocating funds under the Ontario Non-Profit Housing Program for small scale non-profit housing projects in mixed-use developments along major roads of Metro.

2.3 Metro should seriously investigate establishing its own **Convert-to-Rent Supplement Programme** to be applied to rental housing units created in mixed-use developments under 6 storeys along major roads. Individual loans should have a ceiling of $15,000 per unit, and should be provided at 8% interest. A revolving fund of $2 million should be established for this purpose. The appropriate Metro Departments (especially Planning, Legal, Treasury) should be instructed to work together to design the terms and conditions of the Programme. If it proves feasible, it should be administered on a day-to-day basis by the

proposed Metro Main Streets Office (see Recommendation 4.1).

2.4 In addition, Metro should request the Ministry of Housing to increase the current upper limit of individual loans available under the Convert-to-Rent Programme to $15,000 within Metro Toronto where the funds are being used for "Mainstreet" projects. Metro should also request the Ministry to significantly increase the total budget for this Programme, especially in view of the emphasis being placed at both the Provincial and municipal level in Ontario on residential intensification.

2.5 Metro should request the Ministry of Housing to consider the establishment of a Programme providing financial assistance to first-time home buyers of affordable (according to Provincial definitions) ownership units built in mixed-use developments along major roads.

2.6 Metro Planning should prepare an inventory identifying which Metro-owned properties are suitable for use in mixed-use commercial/residential developments of less than 6 storeys along major roads. Based on this analysis, Metro should invite proposals from private developers and non-profit housing corporations to undertake joint ventures with Metro aimed at producing the desired forms of development.

3. Marketing and Promotion

3.1 Metro Planning should initiate a comprehensive marketing and promotion programme to encourage more "Mainstreet" projects within Metro. Specific activities should follow the marketing program set out in Section 7.4 of this report. Metro Planning should review the marketing programme suggested in Section 7.4, set out a budget and detailed work program and commence implementation. The initial priority marketing activities would include:

- o preparation of an education/information package to be used in presentations and workshops.
- o making a presentation to Metro Land Management Committee to secure their support and co-operation for the initiative.
- o making a presentation to key staff at the Ministries of Housing and Municipal Affairs to secure their support and to request changes to Provincial programmes such as Convert-to-Rent and Non-Profit Housing to encourage more development along major roads of Metro.

- o making a presentation to key staff of the area municipalities to inform them about the results of this study and commence the process of gaining their co-operation in encouraging the concept and formulating appropriate amendments to their Official Plans and Zoning Bylaws.

- o Requesting the Provincial Government to participate in a demonstration project to clearly show the feasibility and benefits of the concept.

4. Administrative Changes

4.1 Metro Council should establish the **Metro Main Streets Office**. The overall mission of this Office would be to encourage and facilitate the provision of housing along major roads of Metro in accordance with the concepts presented in this report. Presumably, the Office would be a separate section within the Metro Planning Department. Its main functions would include:

- o providing technical support to potential providers of housing along major roads (in terms of design, planning and financing advice).
- o helping expedite the approval of such projects at all necessary levels of government.

- o liaising on a regular basis with area municipalities to gain their co-operation and assistance in bringing projects to development and exploring approaches to further refining and facilitating the concept. The establishment of a Main Street Advisory Committee comprised of Metro and area municipal planners should be considered for this purpose.

- o assisting individuals in obtaining any financial assistance available under Programmes such as Convert-to-Rent.

- o administering the proposed Metro Convert-to-Rent Supplement Program.

- o undertaking on-going marketing and promotion activities to encourage greater activity of this nature.

- o producing an annual report highlighting results achieved each year across Metro.

- working with other Metro Departments to identify opportunities for Mainstreet projects and to help bring these opportunities to fruition.

- co-ordinating any special initiatives (eg. the proposed Metro proposal call for Mainstreet projects on Metro-owned properties, the proposed demonstration project).

The Office initially could be staffed by one planner and one clerical support person. The planner would draw on the resources found throughout the Metropolitan Corporation (i.e. in Planning, Legal, Treasury, Housing) to assist in undertaking the above functions. Should the proposed Metro Convert-to-Rent Supplement Program be implemented, administrative fees could be charged and the resulting revenues used to help cover the costs of operating this Office.

4.2 Metro Planning should adopt a policy of priorizing and streamlining the approval of "Mainstreet" development applications designed in accordance with the concepts presented in this report. An internal committee should be established comprised of all Metro Departments involved in the circulations and approval of such applications. The terms of reference of this Committee would be to accelerate the approval of such applications and to work closely with applicants to ensure these developments meet the intent and objectives of the "Mainstreets" concept.

4.3 Metro Planning should include in its annual work program on-going research into all aspects of housing along major roads. They should continue to liaise with communities worldwide to maintain up-to-date information on the latest initiatives and monitor all developments of this nature across Metro. In this way, Metro would be recognized as a leading research centre into this whole concept. Metro Planning should also offer research support to the proposed Metro Main Streets Office as required.

4.4 Metro Council should encourage the Metro Toronto Housing Company Limited and any other Metro-related housing agencies to give priority to housing developments in mixed-use projects along major roads.

APPENDIX I

Statistical Description of Concept Designs

APPENDIX I

STATISTICAL DESCRIPTION OF CONCEPT DESIGNS

This appendix provides a detailed breakdown of the gross floor area, dwelling unit count, and parking provision of each of the concept schemes tested in the financial appraisal.

I.1 East York

Site Area: 0.11 ha

OPTION A - one level of housing over shops with front surface parking for shops and rear surface for housing

Gross Floor Area:	retail	640 m^2 - 1 floor
	housing	720 - 1 floor
Dwelling Units:	1 bedroom	4 to 10
	2 bedroom	6 2
		10 12
Provided Parking:	surface	12 in front yard (retail) 13 in rear yard (housing)
Required Parking:	surface	14 for retail
	underground	10-12 for housing

OPTION B - two levels of housing over shops with underground for housing and rear surface parking for shops

Gross Floor Area:	retail	720 m^2 - 1 floor
	housing	1410 - 2 floors
	basement	1370 - 1 floor under bldg
Dwelling Units:	1 bedroom	8 to 20
	2 bedroom	12 4
		20 24
Provided Parking:	surface	12 in rear yard (retail)
	underground	23 in one level under bldg (housing)
Required Parking:	surface	15 for retail
	underground	20-24 for housing

I.2 Etobicoke

Site Area: 0.19 ha

OPTION A - two levels of housing and one level of offices over shops with underground parking for offices and housing and rear surface parking for shops

Gross Floor Area:	retail	1010 m^2 - 1 floor
	housing	1930 - 2 floors
	offices***	950 - 1 floor
	basement	1900 - 1 floor across site
Dwelling Units:	1 bedroom	28 to 4
	2 bedroom	4 20
		32 24
Provided Parking:	surface	24 in rear yard (retail)
	underground	45 on one level across site (housing)
Required Parking:	surface	34 (21*) for retail
	underground	33-41 (24-32**) for housing
		31 (20*) for offices
		64-72 (45-53)

OPTION B - three levels of housing over one level of shops with underground parking for housing and rear surface parking for shops

Gross Floor Area:	retail	1010 m^2 - 1 floor
	housing	2860 - 4 floors
	basement	1900 - 1 floor across site
Dwelling Units:	1 bedroom	42 to 6
	2 bedroom	6 30
		48 36
Provided Parking:	surface	24 in rear yard (retail)
	underground	45 on one level across site (housing)
Required Parking:	surface	34 (21*) for retail
	underground	50-60 (36-40**) for housing

* based upon standard of 1 space/47 m^2 gr
** based upon standard of 1 space/dwelling
*** based upon 18 m depth to conform with housing

Note: Most of this site is over a two level underground parking garage.

I.3 North York

Site Area: 1.69 ha

OPTION A - four levels of housing over shops with underground parking for housing and surface parking for shops along with other surface parking

Gross Floor Area:	retail	960 m^2 - 1 floor
	housing	3740 - 4 floors
	basement	2300 - 2 floors under bldg
		1000 - 1 floor under prkg
	existing retail*	4240
	existing office	710
Dwelling Units:	1 bedroom	8 to 56
	2 bedroom	48 8
		48 64
Provided Parking:	surface	214
	underground	48
Required Parking:	surface	211 for retail and office
	underground	48-64 for housing

OPTION B - four levels of housing with "luxury"units over shops with underground parking for housing and shared surface parking for shops

Gross Floor Area:	retail	950 m^2 - 1 floor
	housing	3690 - 4 floors
	basement	1020 - 1 floor under bldg
		1100 - 1 floor under prkg
	existing retail*	4240
	existing office	710
Dwelling Units:	1 bedroom	12 to 48
	2 bedroom	28 4
		40 52
Provided Parking:	surface	214
	underground	40
Required Parking:	surface	211 for retail and offices
	underground	40-52 for housing

* These figures exclude 360 m2 demolished for new building.

I.4 Scarborough

Site Area: 0.57 ha

OPTION A - ground-level shops only with front surface parking

Gross Floor Area: retail 1880 m^2 - 1 floor

Provided Parking:	surface	58 in front yard (retail) 38 in rear yard (housing)
Required Parking:	surface	57 for retail

OPTION B - one level of housing over shops with front surface parking for shops and rear surface parking for housing

Gross Floor Area:	retail	1880 m^2 - 1 floor
	housing	1425 - 1 floor
Dwelling Units:	1 bedroom	1 to 24
	2 bedroom	16 1
		17 25
Provided Parking:	surface	58 in front yard (retail) 38 in rear yard (housing)
Required Parking:	surface (frt)	57 for retail
	(rear)	22-32 (19-27*) for housing

OPTION C - two levels of housing over shops with front surface parking for shops, and rear surface parking for housing

Gross Floor Area:	retail	1520 m^2 - 1 floor
	housing	2850 - 2 floors
Dwelling Units:	1 bedroom	2 to 48
	2 bedroom	32 2
		34 50
Provided Parking:	surface	46 in front yard (retail) 46 in rear yard (housing)
Required Parking:	surface (frt)	48 for retail
	(rear)	45-65 (37-55*) for housing

OPTION D - four levels of housing over shops with underground and rear surface parking for housing, and front surface parking for shops

Gross Floor Area:	retail	1520 m^2 - 1 floor
	housing	5660 - 4 floors
	basement	1650 - 1 floor under bldg
Dwelling Units:	1 bedroom	4 to 96
	2 bedroom	64 4
		68 100
Provided Parking:	surface	46 in front yard (retail)
		46 in rear yard (housing)
	underground	26 on one level under building (housing)
Required Parking:	surface	46 for retail
	surface & undergrd	89-130 (68-110*) for housing

OPTION E - two blocks: one with three levels of housing over shops and other with three levels of housing over shops, with rear surface for shops and underground parking for offices and housing

Gross Floor Area:	retail	2220 m^2 - 1 floor in 2 bldgs
	housing	2960 - 3 floors in 1 bldg
	office	2700 - 3 floors in 1 bldg
	basement	3760 - 1 floor across site
Dwelling Units:	1 bedroom	3 or 48
	2 bedroom	33 3
		36 51
Provided Parking:	surface	65 in rear yard (retail)
	underground	124 on one level under site
Required Parking:	surface	67 for retail
	underground	47-66 (40-56*) for housing
		82 for offices
		196-215 (189-199)

* based upon standard of 1.1 space/dwelling

I.5 York

Site Area: 0.09 ha

OPTION A - three levels of housing over shops with underground parking for housing and rear surface parking for shops (Option B)

Gross Floor Area:	retail	530 m^2 - 1 floor
	housing	1630 - 3 floors
	basement	940 - 1 floor
Dwelling Units:	1 bedroom	6 to 24
	2 bedroom	15 3
		21 27
Provided Parking:	surface	8 (retail)
	underground	26 on 1 level across the site (housing)
Required Parking:	surface	11 for retail
	underground	27-34 (21-27*) for housing

OPTION B - three levels of housing over shops with rear surface parking for shops and off-site surface parking for housing.

Gross Floor Area:	retail	530 m^2 - 1 floor
	housing	1630 - 3 floors
Dwelling Units:	1 bedroom	6 to 24
	2 bedroom	15 3
		21 27
Provided Parking:	surface	10 (retail)
Required Parking:	surface	11 for retail
	off-site	27-34 (21-27*) for housing

* based upon standard of 1 space/dwelling

APPENDIX II

Detailed Financial Printouts

HOUSING INTENSIFICATION STUDY

20-Aug-90

YORK FOOD STORE SITE

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	6
CONSTRUCTION COMPLETION	14
COMPLETION-LEASEUP	17

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	9,687		
	VALUE(P.A.)	$1,306,800	$30.00	(PSF)
	VALUE	$290,610		

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	8,396	$0.00	$0
	OFFICE	0		$0
	RESIDENCE	0		$0
	PARKING	0		$0
				$0

PURCHASE PRICE ALLOCATION:	LAND		$290,610
	BUILDING		$0
		TOTAL	$290,610

FINANCING:	AMOUNT	$290,610
	STATED RATE	12.00%
	NOMINAL RATE	11.7106%
	AMORT.(mos.)	300
	MONTHLY PAYMENTS	$2,999

LAND COSTS	MONTHS		RATE/MONTH		ALLOW.	TOTAL
PURCHASE PRICE						$290,610
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	0		$0			$0
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$41,980	$41,980
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	6		$2,999			$17,993
PROPERTY TAXES					$4,000	$4,000
PLANNING/REZONING COSTS					$20,000	$20,000
					TOTAL	$374,583

YORK FOOD STORE SITE

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO				$0
RETAIL	NEW	5,705	$60.00		$342,300
OFFICE	RENO				$0
OFFICE	NEW				$0
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW	6	$75.00	625	$281,250
RES-2B	RENO				$0
RES-2B	NEW	15	$75.00	850	$956,250
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	8	$3,000.00		$24,000
	DECK				$0
	UNDERG'D	26	$15,000.00		$390,000
				TOTAL	$1,993,800

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$9,969
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$29,907
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$79,752
		CONSTRUCTION TOTAL		$2,113,428

PROPORTIONATE SHARE	COMMERCIAL	RESIDENTIAL
	21.67%	78.33%

YORK FOOD STORE SITE

20-Aug-90

SOFT COSTS:

	RATE	COSTS ARE BASED ON ITEM	
ACCOUNTING & MANAGEMENT	0.50%	OF TOTAL BUILDING COSTS	$9,969
ADVERTISING & PROMOTION	1.50%	OF TOTAL BUILDING COSTS	$29,907
ARCHITECT/ENGINEERS	4.00%	OF TOTAL BUILDING COSTS	$79,752
COST CONSULTANTS	0.15%	OF TOTAL BUILDING COSTS	$2,991
LANDSCAPE ARCHITECT	0.00%	OF TOTAL BUILDING COSTS	$0
LEGAL FEES	0.75%	OF TOTAL BUILDING COSTS	$14,954
PERMITS	1.00%	OF TOTAL BUILDING COSTS	$19,938
LOT LEVIES	$0.75	PER GROSS FLOOR AREA	$16,879
MARKETING COSTS	2.00%	OF TOTAL BUILDING COSTS	$39,876
MISCELLANEOUS		OF TOTAL BUILDING COSTS	$0
COMMISSIONS			
RETAIL	18.00%	OF NET RENTAL INCOME	$20,538
OFFICE	18.00%	OF NET RENTAL INCOME	$0
RESIDENTIAL (LEASE)	7.00%	OF NET RENTAL INCOME	$11,592
PROJECT MANAGEMENT	5.00%	OF TOTAL BUILDING COSTS	$99,690
INSURANCE	1.00%	OF TOTAL BUILDING COSTS	$19,938
TENANT DESIGN	$0.50	PER SF OF COMMERCIAL NRA	$2,853
TENANT INDUCEMENTS & FINISHES			
RETAIL	$20.00	PER SF OF LEASABLE AREA	$114,100
OFFICE	$25.00	PER SF OF LEASABLE AREA	$0
RESIDENTIAL		INCL IN CONST'N	

	%
PRELEASING: RETAIL	100%
: OFFICE	25%
: RESIDENTIAL	100%

VACANCY COST DURING LEASING				
RETAIL	3	MONTHS X RATE PSF	$7.00	$0
OFFICE	3	MONTHS X RATE PSF	$7.00	$0
RESIDENTIAL	3	MONTHS X RATE P.U.	$250.00	$0
		TOTAL BEFORE FINANCE		$482,975

	RATE			
CONSTRUCTION FINANCING	13.00%			
LAND PURCHASE	11	MONTHS ON COST		$34,631
CONSTRUCTION	11	MONTHS ON COST		$160,268
SOFT COST	11	MONTHS ON COST		$36,626
LESS: INCOME DURING LEASEUP	3	MONTHS LESS 3 MO. FREE ON COMM.		($71,485)
COMMITMENT FEE	1.00%	OF INTERIM LOAN AMOUNT		$2,315
		TOTAL INTERIM FINANCE		$162,355
		TOTAL SOFT COSTS		$645,331

YORK FOOD STORE SITE

20-Aug-90

DEVELOPMENT COST SUMMARY	RATE	COSTS ARE BASED ON ITEM	
LAND COST		FROM ABOVE	$374,583
CONSTRUCTION COST		FROM ABOVE	$2,113,428
SOFT COST		FROM ABOVE	$482,975
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$2,970,986
DEVELOPMENT INTEREST		FROM ABOVE	$162,355
TOTAL DEVELOPMENT COST			$3,133,341
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$3,133,341

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	$2,052,450
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$19,755
	ANNUAL PAYMENTS	$237,065
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	$2,619,505
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$25,213
	ANNUAL PAYMENTS	$302,562
	DEBT SERVICE RATIO	1.20

YORK FOOD STORE SITE

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU		RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$20.00		$114,100	$145,624
OFFICE	5	5%	$14.00		$0	$0
				TOTAL COMMERCIAL	$114,100	$145,624
RESIDENTIAL						
RESIDENTIAL - B	1	5%			$0	$0
RESIDENTIAL - 1B	1	5%	$800.00		$57,600	$73,514
RESIDENTIAL - 2B	1	5%	$950.00		$171,000	$218,244
RESIDENTIAL - 3B	1	5%			$0	$0
RESIDENTIAL OPERATING COSTS		5%	($250.00)		($63,000)	($80,406)
				TOTAL RESIDENTIAL	$165,600	$211,352
				TOTAL RENTAL INCOME	$279,700	$356,976

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM			
SURFACE		5%	$0		$0	$0
DECK		5%	$0		$0	$0
UNDERGROUND		5%	$40		$12,480	$15,928
				TOTAL PARKING	$12,480	$15,928

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0
GROSS POTENTIAL INCOME					$292,180	$372,904

	RATE	COSTS ARE BASED ON		
LESS:PERMANENT VACANCY - RETAIL	5%		($5,705)	($7,281)
LESS:PERMANENT VACANCY - OFFICE	6%		$0	$0
LESS:PERMANENT VACANCY - RES	0%		$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA	($1,997)	($2,548)
LESS:OP COST ON VACANCY - OFFICE	$6.00	PSF PA	$0	$0
LESS:OP COST ON VACANCY - RES	$250.00	PU PM	$0	$0
EFFECTIVE GROSS INCOME			$284,478	$363,074
LESS: LANDLORD EXPENSES				
NET INCOME BEFORE DEBT SERVICE YEAR 1			$284,478	$363,074

YORK FOOD STORE SITE 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$284,478
YEAR 6	$363,074
CAP RATE 8.50%	
PROJECT VALUE: YEAR 1	$3,346,803
PROJECT VALUE: YEAR 6	$4,271,463

OVERALL RATES OF RETURN:

OVERALL RATE OF RETURN- YEAR 1	9.08%
OVERALL RATE OF RETURN- YEAR 6	11.59%
OVERALL RETURN ON CASH - YEAR 1	4.39%
OVERALL RETURN ON CASH - YEAR 6	11.78%

COMPARATIVE ANALYSIS:	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$374,583	$228,200	$146,383
CONSTRUCTION	$2,113,428	$457,923	$1,655,505
SOFT COST	$645,331	$308,745	$336,586
TOTAL COST	$3,133,341	$994,867	$2,138,474
NET INCOME BDS	$284,478	$109,102	$175,376
OVERALL RETURN	9.08%	10.97%	8.20%
VALUE	$3,346,803	$1,283,557	$2,063,246
COST	$3,133,341	$994,867	$2,138,474
CREATED VALUE	213,461	$288,689	(75,228)
CREATED VALUE %	6.81%	29.02%	-3.52%

YORK FOOD STORE-OFFSITE PARKING

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO				$0
RETAIL	NEW	5,705	$60.00		$342,300
OFFICE	RENO				$0
OFFICE	NEW				$0
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW	6	$75.00	625	$281,250
RES-2B	RENO				$0
RES-2B	NEW	15	$75.00	850	$956,250
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	10	$3,000.00		$30,000
	DECK				$0
	UNDERG'D				$0
				TOTAL	$1,609,800

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$8,049
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$24,147
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$64,392
		CONSTRUCTION TOTAL		$1,706,388

PROPORTIONATE SHARE	COMMERCIAL	RESIDENTIAL
	21.67%	78.33%

HOUSING INTENSIFICATION STUDY

20-Aug-90

YORK FOOD STORE-OFFSITE PARKING

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	6
CONSTRUCTION COMPLETION	13
COMPLETION-LEASEUP	16

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	9,687	
	VALUE(P.A.)	$1,306,800	$30.00 (PSF)
	VALUE	$290,610	

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	8,396	$0.00	$0
	OFFICE	0		$0
	RESIDENCE	0		$0
	PARKING	0		$0
				$0

PURCHASE PRICE ALLOCATION:	LAND		$290,610
	BUILDING		$0
		TOTAL	$290,610

FINANCING:	AMOUNT	$290,610
	STATED RATE	12.00%
	NOMINAL RATE	11.7106%
	AMORT.(mos.)	300
	MONTHLY PAYMENTS	$2,999

LAND COSTS	MONTHS		RATE/MONTH		ALLOW.	TOTAL
PURCHASE PRICE						$290,610
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	0		$0			$0
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$41,980	$41,980
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	6		$2,999			$17,993
PROPERTY TAXES					$4,000	$4,000
PLANNING/REZONING COSTS					$20,000	$20,000
					TOTAL	$374,583

YORK FOOD STORE-OFFSITE PARKING

20-Aug-90

SOFT COSTS:

	RATE	ITEM	
		COSTS ARE BASED ON	
ACCOUNTING & MANAGEMENT	0.50%	OF TOTAL BUILDING COSTS	$8,049
ADVERTISING & PROMOTION	1.50%	OF TOTAL BUILDING COSTS	$24,147
ARCHITECT/ENGINEERS	4.00%	OF TOTAL BUILDING COSTS	$64,392
COST CONSULTANTS	0.15%	OF TOTAL BUILDING COSTS	$2,415
LANDSCAPE ARCHITECT	0.00%	OF TOTAL BUILDING COSTS	$0
LEGAL FEES	0.75%	OF TOTAL BUILDING COSTS	$12,074
PERMITS	1.00%	OF TOTAL BUILDING COSTS	$16,098
LOT LEVIES	$0.75	PER GROSS FLOOR AREA	$16,879
MARKETING COSTS	2.00%	OF TOTAL BUILDING COSTS	$32,196
MISCELLANEOUS		OF TOTAL BUILDING COSTS	$0
COMMISSIONS			
RETAIL	18.00%	OF NET RENTAL INCOME	$20,538
OFFICE	18.00%	OF NET RENTAL INCOME	$0
RESIDENTIAL (LEASE)	7.00%	OF NET RENTAL INCOME	$11,592
PROJECT MANAGEMENT	5.00%	OF TOTAL BUILDING COSTS	$80,490
INSURANCE	1.00%	OF TOTAL BUILDING COSTS	$16,098
TENANT DESIGN	$0.50	PER SF OF COMMERCIAL NRA	$2,853
TENANT INDUCEMENTS & FINISHES			
RETAIL	$20.00	PER SF OF LEASABLE AREA	$114,100
OFFICE	$25.00	PER SF OF LEASABLE AREA	$0
RESIDENTIAL		INCL IN CONST'N	

	%
PRELEASING: RETAIL	100%
: OFFICE	25%
: RESIDENTIAL	100%

VACANCY COST DURING LEASING				
RETAIL	3	MONTHS X RATE PSF	$7.00	$0
OFFICE	3	MONTHS X RATE PSF	$7.00	$0
RESIDENTIAL	3	MONTHS X RATE P.U.	$250.00	$0
		TOTAL BEFORE FINANCE		$421,919

	RATE			
CONSTRUCTION FINANCING	13.00%			
LAND PURCHASE	10	MONTHS ON COST		$31,483
CONSTRUCTION	10	MONTHS ON COST		$120,158
SOFT COST	10	MONTHS ON COST		$29,710
LESS: INCOME DURING LEASEUP	3	MONTHS LESS 3 MO. FREE ON COMM.		($69,925)
COMMITMENT FEE	1.00%	OF INTERIM LOAN AMOUNT		$1,814
		TOTAL INTERIM FINANCE		$113,240
		TOTAL SOFT COSTS		$535,159

YORK FOOD STORE-OFFSITE PARKING

20-Aug-90

DEVELOPMENT COST SUMMARY	RATE	COSTS ARE BASED ON ITEM	
LAND COST		FROM ABOVE	$374,583
CONSTRUCTION COST		FROM ABOVE	$1,706,388
SOFT COST		FROM ABOVE	$421,919
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$2,502,890
DEVELOPMENT INTEREST		FROM ABOVE	$113,240
TOTAL DEVELOPMENT COST			$2,616,130
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$2,616,130

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	$1,962,410
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$18,889
	ANNUAL PAYMENTS	$226,665
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	$2,504,588
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$24,107
	ANNUAL PAYMENTS	$289,289
	DEBT SERVICE RATIO	1.20

YORK FOOD STORE-OFFSITE PARKING

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU	RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$20.00	$114,100	$145,624
OFFICE	5	5%	$14.00	$0	$0
			TOTAL COMMERCIAL	$114,100	$145,624
RESIDENTIAL					
RESIDENTIAL - B	1	5%		$0	$0
RESIDENTIAL - 1B	1	5%	$800.00	$57,600	$73,514
RESIDENTIAL - 2B	1	5%	$950.00	$171,000	$218,244
RESIDENTIAL - 3B	1	5%		$0	$0
RESIDENTIAL OPERATING COSTS		5%	($250.00)	($63,000)	($80,406)
			TOTAL RESIDENTIAL	$165,600	$211,352
			TOTAL RENTAL INCOME	$279,700	$356,976

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM		
SURFACE		5%	$0	$0	$0
DECK		5%	$0	$0	$0
UNDERGROUND		5%	$0	$0	$0
			TOTAL PARKING	$0	$0

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0
GROSS POTENTIAL INCOME					$279,700	$356,976

	RATE	COSTS ARE BASED ON		
LESS:PERMANENT VACANCY - RETAIL	5%		($5,705)	($7,281)
LESS:PERMANENT VACANCY - OFFICE	6%		$0	$0
LESS:PERMANENT VACANCY - RES	0%		$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA	($1,997)	($2,548)
LESS:OP COST ON VACANCY - OFFICE	$6.00	PSF PA	$0	$0
LESS:OP COST ON VACANCY - RES	$250.00	PU PM	$0	$0
EFFECTIVE GROSS INCOME			$271,998	$347,146
LESS: LANDLORD EXPENSES				
NET INCOME BEFORE DEBT SERVICE YEAR 1			$271,998	$347,146

YORK FOOD STORE-OFFSITE PARKING 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$271,998
YEAR 6	$347,146
CAP RATE 8.50%	
PROJECT VALUE: YEAR 1	$3,199,979
PROJECT VALUE: YEAR 6	$4,084,075

OVERALL RATES OF RETURN:

OVERALL RATE OF RETURN- YEAR 1	10.40%
OVERALL RATE OF RETURN- YEAR 6	13.27%
OVERALL RETURN ON CASH - YEAR 1	6.93%
OVERALL RETURN ON CASH - YEAR 6	51.87%

COMPARATIVE ANALYSIS:

	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$374,583	$228,200	$146,383
CONSTRUCTION	$1,706,388	$369,728	$1,336,660
SOFT COST	$535,159	$265,594	$269,565
TOTAL COST	$2,616,130	$863,522	$1,752,608
NET INCOME BDS	$271,998	$106,398	$165,600
OVERALL RETURN	10.40%	12.32%	9.45%
VALUE	$3,199,979	$1,251,744	$1,948,235
COST	$2,616,130	$863,522	$1,752,608
CREATED VALUE	583,850	$388,222	195,627
CREATED VALUE %	22.32%	44.96%	11.16%

HOUSING INTENSIFICATION STUDY

20-Aug-90

EAST YORK-CORNER GAS STATION-2 STOREY

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	6
CONSTRUCTION COMPLETION	13
COMPLETION-LEASEUP	16

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	11,840	
	VALUE(P.A.)	$1,742,400	$40.00 (PSF)
	VALUE	$473,600	

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	1,722	$0.00	$0
	OFFICE	0	$0.00	$0
	RESIDENCE	0	$0.00	$0
	PARKING	0	$0.00	$0
				$0

PURCHASE PRICE ALLOCATION:	LAND		$473,600
	BUILDING		$0
		TOTAL	$473,600

FINANCING:	AMOUNT	$473,600
	STATED RATE	12.00%
	NOMINAL RATE	11.7106%
	AMORT.(mos.)	300
	MONTHLY PAYMENTS	$4,887

LAND COSTS	MONTHS		RATE/MONTH		ALLOW.	TOTAL
PURCHASE PRICE						$473,600
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	0		$0			$0
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$8,610	$8,610
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	6		$4,887			$29,322
PROPERTY TAXES					$1,500	$1,500
PLANNING/REZONING COSTS					$10,000	$10,000
					TOTAL	$523,032

EAST YORK-CORNER GAS STATION-2 STOREY

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO				$0
RETAIL	NEW	6,890	$50.00		$344,500
OFFICE	RENO				$0
OFFICE	NEW				$0
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW	4	$75.00	625	$187,500
RES-2B	RENO				$0
RES-2B	NEW	6	$75.00	850	$382,500
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	25	$3,000.00		$75,000
	DECK				$0
	UNDERG'D				$0
				TOTAL	$989,500

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$4,948
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$14,843
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$39,580
		CONSTRUCTION TOTAL		$1,048,870

PROPORTIONATE SHARE	COMMERCIAL	RESIDENTIAL
	37.67%	62.33%

EAST YORK-CORNER GAS STATION-2 STOREY

20-Aug-90

SOFT COSTS:

	RATE	ITEM	
	COSTS ARE BASED ON		
ACCOUNTING & MANAGEMENT	0.50%	OF TOTAL BUILDING COSTS	$4,948
ADVERTISING & PROMOTION	1.50%	OF TOTAL BUILDING COSTS	$14,843
ARCHITECT/ENGINEERS	4.00%	OF TOTAL BUILDING COSTS	$39,580
COST CONSULTANTS	0.15%	OF TOTAL BUILDING COSTS	$1,484
LANDSCAPE ARCHITECT	0.00%	OF TOTAL BUILDING COSTS	$0
LEGAL FEES	0.75%	OF TOTAL BUILDING COSTS	$7,421
PERMITS	1.00%	OF TOTAL BUILDING COSTS	$9,895
LOT LEVIES	$0.75	PER GROSS FLOOR AREA	$11,168
MARKETING COSTS	2.00%	OF TOTAL BUILDING COSTS	$19,790
MISCELLANEOUS		OF TOTAL BUILDING COSTS	$0
COMMISSIONS			
RETAIL	18.00%	OF NET RENTAL INCOME	$24,804
OFFICE	18.00%	OF NET RENTAL INCOME	$0
RESIDENTIAL (LEASE)	7.00%	OF NET RENTAL INCOME	$5,376
PROJECT MANAGEMENT	5.00%	OF TOTAL BUILDING COSTS	$49,475
INSURANCE	1.00%	OF TOTAL BUILDING COSTS	$9,895
TENANT DESIGN	$0.50	PER SF OF COMMERCIAL NRA	$3,445
TENANT INDUCEMENTS & FINISHES			
RETAIL	$20.00	PER SF OF LEASABLE AREA	$137,800
OFFICE	$25.00	PER SF OF LEASABLE AREA	$0
RESIDENTIAL		INCL IN CONST'N	

	%
PRELEASING: RETAIL	75%
: OFFICE	0%
: RESIDENTIAL	100%

VACANCY COST DURING LEASING				
RETAIL	3	MONTHS X RATE PSF	$7.00	$1,507
OFFICE	3	MONTHS X RATE PSF		$0
RESIDENTIAL	3	MONTHS X RATE P.U.	$250.00	$0
		TOTAL BEFORE FINANCE		$341,430

	RATE			
CONSTRUCTION FINANCING	13.00%			
LAND PURCHASE	10	MONTHS ON COST		$51,307
CONSTRUCTION	10	MONTHS ON COST		$73,858
SOFT COST	10	MONTHS ON COST		$24,042
LESS: INCOME DURING LEASEUP	3	MONTHS LESS 3 MO. FREE ON COMM.		($45,038)
COMMITMENT FEE	1.00%	OF INTERIM LOAN AMOUNT		$1,492
		TOTAL INTERIM FINANCE		$105,662
		TOTAL SOFT COSTS		$447,092

EAST YORK-CORNER GAS STATION-2 STOREY

20-Aug-90

DEVELOPMENT COST SUMMARY	RATE	COSTS ARE BASED ON ITEM	
LAND COST		FROM ABOVE	$523,032
CONSTRUCTION COST		FROM ABOVE	$1,048,870
SOFT COST		FROM ABOVE	$341,430
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$1,913,333
DEVELOPMENT INTEREST		FROM ABOVE	$105,662
TOTAL DEVELOPMENT COST			$2,018,994
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$2,018,994

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	$1,481,185
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$14,257
	ANNUAL PAYMENTS	$171,082
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	$1,890,409
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$18,196
	ANNUAL PAYMENTS	$218,349
	DEBT SERVICE RATIO	1.20

EAST YORK-CORNER GAS STATION-2 STOREY

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU		RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$20.00		$137,800	$175,872
OFFICE	5	5%			$0	$0
				TOTAL COMMERCIAL	$137,800	$175,872
RESIDENTIAL						
RESIDENTIAL - B	1	5%			$0	$0
RESIDENTIAL - 1B	1	5%	$800.00		$38,400	$49,009
RESIDENTIAL - 2B	1	5%	$950.00		$68,400	$87,298
RESIDENTIAL - 3B	1	5%			$0	$0
RESIDENTIAL OPERATING COSTS		5%	($250.00)		($30,000)	($38,288)
				TOTAL RESIDENTIAL	$76,800	$98,018
				TOTAL RENTAL INCOME	$214,600	$273,890

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM			
SURFACE		5%	$0		$0	$0
DECK		5%	$0		$0	$0
UNDERGROUND		5%	$0		$0	$0
				TOTAL PARKING	$0	$0

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0

GROSS POTENTIAL INCOME				$214,600	$273,890
	RATE	COSTS ARE BASED ON			
LESS:PERMANENT VACANCY - RETAIL	5%			($6,890)	($8,794)
LESS:PERMANENT VACANCY - OFFICE				$0	$0
LESS:PERMANENT VACANCY - RES	0%			$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA		($2,412)	($3,078)
LESS:OP COST ON VACANCY - OFFICE		PSF PA		$0	$0
LESS:OP COST ON VACANCY - RES	$250.00	PU PM		$0	$0
EFFECTIVE GROSS INCOME				$205,299	$262,019
LESS: LANDLORD EXPENSES					
NET INCOME BEFORE DEBT SERVICE YEAR 1				$205,299	$262,019

EAST YORK-CORNER GAS STATION-2 STOREY 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$205,299
YEAR 6	$262,019
CAP RATE 8.50%	
PROJECT VALUE: YEAR 1	$2,415,276
PROJECT VALUE: YEAR 6	$3,082,573

OVERALL RATES OF RETURN:

OVERALL RATE OF RETURN- YEAR 1	10.17%
OVERALL RATE OF RETURN- YEAR 6	12.98%
OVERALL RETURN ON CASH - YEAR 1	6.36%
OVERALL RETURN ON CASH - YEAR 6	33.96%

COMPARATIVE ANALYSIS:	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$523,032	$344,500	$178,532
CONSTRUCTION	$1,048,870	$395,118	$653,752
SOFT COST	$447,092	$300,626	$146,466
TOTAL COST	$2,018,994	$1,040,244	$978,750
NET INCOME BDS	$205,299	$128,499	$76,800
OVERALL RETURN	10.17%	12.35%	7.85%
VALUE	$2,415,276	$1,511,747	$903,529
COST	$2,018,994	$1,040,244	$978,750
CREATED VALUE	$396,282	$471,503	($75,221)
CREATED VALUE %	19.63%	45.33%	-7.69%

EAST YORK-CORNER GAS STATION-3 STOREY

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO				$0
RETAIL	NEW	7,750	$50.00		$387,500
OFFICE	RENO				$0
OFFICE	NEW				$0
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW	8	$75.00	625	$375,000
RES-2B	RENO				$0
RES-2B	NEW	12	$75.00	850	$765,000
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	12	$3,000.00		$36,000
	DECK				$0
	UNDERG'D	23	$15,000.00		$345,000
				TOTAL	$1,908,500

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$9,543
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$28,628
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$76,340
		CONSTRUCTION TOTAL		$2,023,010

PROPORTIONATE SHARE	COMMERCIAL	RESIDENTIAL
	25.37%	74.63%

HOUSING INTENSIFICATION STUDY

20-Aug-90

EAST YORK-CORNER GAS STATION-3 STOREY

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	6
CONSTRUCTION COMPLETION	15
COMPLETION-LEASEUP	18

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	11,840	
	VALUE(P.A.)	$1,742,400	$40.00 (PSF)
	VALUE	$473,600	

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	1,722	$0.00	$0
	OFFICE	0	$0.00	$0
	RESIDENCE	0	$0.00	$0
	PARKING	0	$0.00	$0
				$0

PURCHASE PRICE ALLOCATION:	LAND		$473,600
	BUILDING		$0
		TOTAL	$473,600

FINANCING:	AMOUNT	$473,600
	STATED RATE	12.00%
	NOMINAL RATE	11.7106%
	AMORT.(mos.)	300
	MONTHLY PAYMENTS	$4,887

LAND COSTS	MONTHS		RATE/MONTH		ALLOW.	TOTAL
PURCHASE PRICE						$473,600
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	0		$0			$0
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$8,610	$8,610
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	6		$4,887			$29,322
PROPERTY TAXES					$1,500	$1,500
PLANNING/REZONING COSTS					$10,000	$10,000
					TOTAL	$523,032

EAST YORK-CORNER GAS STATION-3 STOREY

20-Aug-90

SOFT COSTS:

COSTS ARE BASED ON

	RATE	ITEM	
ACCOUNTING & MANAGEMENT	0.50%	OF TOTAL BUILDING COSTS	$9,543
ADVERTISING & PROMOTION	1.50%	OF TOTAL BUILDING COSTS	$28,628
ARCHITECT/ENGINEERS	4.00%	OF TOTAL BUILDING COSTS	$76,340
COST CONSULTANTS	0.15%	OF TOTAL BUILDING COSTS	$2,863
LANDSCAPE ARCHITECT	0.00%	OF TOTAL BUILDING COSTS	$0
LEGAL FEES	0.75%	OF TOTAL BUILDING COSTS	$14,314
PERMITS	1.00%	OF TOTAL BUILDING COSTS	$19,085
LOT LEVIES	$0.75	PER GROSS FLOOR AREA	$17,813
MARKETING COSTS	2.00%	OF TOTAL BUILDING COSTS	$38,170
MISCELLANEOUS		OF TOTAL BUILDING COSTS	$0
COMMISSIONS			
RETAIL	18.00%	OF NET RENTAL INCOME	$27,900
OFFICE	18.00%	OF NET RENTAL INCOME	$0
RESIDENTIAL (LEASE)	7.00%	OF NET RENTAL INCOME	$10,752
PROJECT MANAGEMENT	5.00%	OF TOTAL BUILDING COSTS	$95,425
INSURANCE	1.00%	OF TOTAL BUILDING COSTS	$19,085
TENANT DESIGN	$0.50	PER SF OF COMMERCIAL NRA	$3,875
TENANT INDUCEMENTS & FINISHES			
RETAIL	$20.00	PER SF OF LEASABLE AREA	$155,000
OFFICE	$25.00	PER SF OF LEASABLE AREA	$0
RESIDENTIAL		INCL IN CONST'N	

	%
PRELEASING: RETAIL	75%
: OFFICE	0%
: RESIDENTIAL	100%

VACANCY COST DURING LEASING				
RETAIL	3	MONTHS X RATE PSF	$7.00	$1,695
OFFICE	3	MONTHS X RATE PSF		$0
RESIDENTIAL	3	MONTHS X RATE P.U.	$250.00	$0
		TOTAL BEFORE FINANCE		$520,486

	RATE			
CONSTRUCTION FINANCING	13.00%			
LAND PURCHASE	12	MONTHS ON COST		$61,568
CONSTRUCTION	12	MONTHS ON COST		$164,370
SOFT COST	12	MONTHS ON COST		$42,290
LESS: INCOME DURING LEASEUP	3	MONTHS LESS 3 MO. FREE ON COMM.		($69,188)
COMMITMENT FEE	1.00%	OF INTERIM LOAN AMOUNT		$2,682
		TOTAL INTERIM FINANCE		$201,722
		TOTAL SOFT COSTS		$722,208

EAST YORK-CORNER GAS STATION-3 STOREY

20-Aug-90

DEVELOPMENT COST SUMMARY	RATE	COSTS ARE BASED ON ITEM	
LAND COST		FROM ABOVE	$523,032
CONSTRUCTION COST		FROM ABOVE	$2,023,010
SOFT COST		FROM ABOVE	$520,486
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$3,066,529
DEVELOPMENT INTEREST		FROM ABOVE	$201,722
TOTAL DEVELOPMENT COST			$3,268,251
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$3,268,251

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	$2,250,563
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$21,662
	ANNUAL PAYMENTS	$259,948
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	$2,872,352
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$27,647
	ANNUAL PAYMENTS	$331,767
	DEBT SERVICE RATIO	1.20

EAST YORK-CORNER GAS STATION-3 STOREY

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU	RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$20.00	$155,000	$197,824
OFFICE	5	5%		$0	$0
			TOTAL COMMERCIAL	$155,000	$197,824
RESIDENTIAL					
RESIDENTIAL - B	1	5%		$0	$0
RESIDENTIAL - 1B	1	5%	$800.00	$76,800	$98,018
RESIDENTIAL - 2B	1	5%	$950.00	$136,800	$174,595
RESIDENTIAL - 3B	1	5%		$0	$0
RESIDENTIAL OPERATING COSTS		5%	($250.00)	($60,000)	($76,577)
			TOTAL RESIDENTIAL	$153,600	$196,037
			TOTAL RENTAL INCOME	$308,600	$393,860

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM		
SURFACE		5%	$0	$0	$0
DECK		5%	$0	$0	$0
UNDERGROUND		5%	$50	$13,800	$17,613
			TOTAL PARKING	$13,800	$17,613

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0
GROSS POTENTIAL INCOME					$322,400	$411,473

	RATE	COSTS ARE BASED ON		
LESS:PERMANENT VACANCY - RETAIL	5%		($7,750)	($9,891)
LESS:PERMANENT VACANCY - OFFICE			$0	$0
LESS:PERMANENT VACANCY - RES	0%		$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA	($2,713)	($3,462)
LESS:OP COST ON VACANCY - OFFICE		PSF PA	$0	$0
LESS:OP COST ON VACANCY - RES	$250.00	PU PM	$0	$0
EFFECTIVE GROSS INCOME			$311,938	$398,120
LESS: LANDLORD EXPENSES				
NET INCOME BEFORE DEBT SERVICE YEAR 1			$311,938	$398,120

EAST YORK-CORNER GAS STATION-3 STOREY 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$311,938
YEAR 6	$398,120
CAP RATE 8.50%	
PROJECT VALUE: YEAR 1	$3,669,853
PROJECT VALUE: YEAR 6	$4,683,766

OVERALL RATES OF RETURN:

OVERALL RATE OF RETURN- YEAR 1	9.54%
OVERALL RATE OF RETURN- YEAR 6	12.18%
OVERALL RETURN ON CASH - YEAR 1	5.11%
OVERALL RETURN ON CASH - YEAR 6	16.76%

COMPARATIVE ANALYSIS:	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$523,032	$387,500	$135,532
CONSTRUCTION	$2,023,010	$513,202	$1,509,808
SOFT COST	$722,208	$419,419	$302,789
TOTAL COST	$3,268,251	$1,320,122	$1,948,129
NET INCOME BDS	$311,938	$148,038	$163,899
OVERALL RETURN	9.54%	11.21%	8.41%
VALUE	$3,669,853	$1,741,627	$1,928,226
COST	$3,268,251	$1,320,122	$1,948,129
CREATED VALUE	$401,602	$421,506	($19,903)
CREATED VALUE %	12.29%	31.93%	-1.02%

HOUSING INTENSIFICATION STUDY

20-Aug-90

SCARBOROUGH STRIP RETAIL

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	6
CONSTRUCTION COMPLETION	12
COMPLETION-LEASEUP	17

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	61,350	
	VALUE(P.A.)	$1,089,000	$25.00 (PSF)
	VALUE	$1,533,750	

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	18,406	$5.00	$92,030
	OFFICE	0		$0
	RESIDENCE	0		$0
	PARKING	0		$0
				$92,030

PURCHASE PRICE ALLOCATION:	LAND	$1,533,750
	BUILDING	$0
	TOTAL	$1,533,750

FINANCING:	AMOUNT	$1,533,750
	STATED RATE	12.00%
	NOMINAL RATE	11.7106%
	AMORT.(mos.)	300
	MONTHLY PAYMENTS	$15,827

LAND COSTS	MONTHS		RATE/MONTH		ALLOW.	TOTAL
PURCHASE PRICE						$1,533,750
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	5		($7,669)			($38,346)
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$92,030	$92,030
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	6		$15,827			$94,961
PROPERTY TAXES					$10,000	$10,000
PLANNING/REZONING COSTS					$40,000	$40,000
					TOTAL	$1,732,395

SCARBOROUGH STRIP RETAIL

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO	20,236	$60.00		$0
RETAIL	NEW				$1,214,160
OFFICE	RENO				$0
OFFICE	NEW				$0
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW				$0
RES-2B	RENO				$0
RES-2B	NEW				$0
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	97	$3,000.00		$291,000
	DECK				$0
	UNDERG'D				$0
				TOTAL	$1,505,160

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$7,526
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$22,577
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$60,206

CONSTRUCTION TOTAL $1,595,470

PROPORTIONATE SHARE COMMERCIAL 100.00%

RESIDENTIAL 0.00%

SCARBOROUGH STRIP RETAIL

20-Aug-90

COSTS ARE BASED ON

SOFT COSTS:	RATE	ITEM	
ACCOUNTING & MANAGEMENT	0.50%	OF TOTAL BUILDING COSTS	$7,526
ADVERTISING & PROMOTION	1.50%	OF TOTAL BUILDING COSTS	$22,577
ARCHITECT/ENGINEERS	4.00%	OF TOTAL BUILDING COSTS	$60,206
COST CONSULTANTS	0.15%	OF TOTAL BUILDING COSTS	$2,258
LANDSCAPE ARCHITECT	0.00%	OF TOTAL BUILDING COSTS	$0
LEGAL FEES	0.75%	OF TOTAL BUILDING COSTS	$11,289
PERMITS	1.00%	OF TOTAL BUILDING COSTS	$15,052
LOT LEVIES	$0.75	PER GROSS FLOOR AREA	$15,177
MARKETING COSTS	2.00%	OF TOTAL BUILDING COSTS	$30,103
MISCELLANEOUS		OF TOTAL BUILDING COSTS	$0
COMMISSIONS			
RETAIL	18.00%	OF NET RENTAL INCOME	$83,777
OFFICE	18.00%	OF NET RENTAL INCOME	$0
RESIDENTIAL (LEASE)	7.00%	OF NET RENTAL INCOME	$0
PROJECT MANAGEMENT	5.00%	OF TOTAL BUILDING COSTS	$75,258
INSURANCE	1.00%	OF TOTAL BUILDING COSTS	$15,052
TENANT DESIGN	$0.50	PER SF OF COMMERCIAL NRA	$10,118
TENANT INDUCEMENTS & FINISHES			
RETAIL	$23.00	PER SF OF LEASABLE AREA	$465,428
OFFICE	$25.00	PER SF OF LEASABLE AREA	$0
RESIDENTIAL		INCL IN CONST'N	

	%
PRELEASING: RETAIL	50%
: OFFICE	
: RESIDENTIAL	

VACANCY COST DURING LEASING				
RETAIL	5	MONTHS X RATE PSF	$7.00	$14,755
OFFICE	5	MONTHS X RATE PSF		$0
RESIDENTIAL	5	MONTHS X RATE P.U.	$250.00	$0
			TOTAL BEFORE FINANCE	$828,576

	RATE			
CONSTRUCTION FINANCING	13.00%			
LAND PURCHASE	11	MONTHS ON COST		$182,772
CONSTRUCTION	11	MONTHS ON COST		$138,274
SOFT COST	11	MONTHS ON COST		$71,810
LESS: INCOME DURING LEASEUP	5	MONTHS LESS 3 MO. FREE ON COMM.		($96,964)
COMMITMENT FEE	1.00%	OF INTERIM LOAN AMOUNT		$3,929
			TOTAL INTERIM FINANCE	$299,820
			TOTAL SOFT COSTS	$1,128,396

SCARBOROUGH STRIP RETAIL

20-Aug-90

DEVELOPMENT COST SUMMARY	RATE	COSTS ARE BASED ON ITEM	
LAND COST		FROM ABOVE	$1,732,395
CONSTRUCTION COST		FROM ABOVE	$1,595,470
SOFT COST		FROM ABOVE	$828,576
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$4,156,440
DEVELOPMENT INTEREST		FROM ABOVE	$299,820
TOTAL DEVELOPMENT COST			$4,456,260
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$4,456,260

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	$3,138,967
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$30,213
	ANNUAL PAYMENTS	$362,562
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	$4,006,206
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$38,561
	ANNUAL PAYMENTS	$462,731
	DEBT SERVICE RATIO	1.20

SCARBOROUGH STRIP RETAIL

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU		RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$23.00		$465,428	$594,017
OFFICE	5	5%			$0	$0
				TOTAL COMMERCIAL	$465,428	$594,017
RESIDENTIAL						
RESIDENTIAL - B	1	5%			$0	$0
RESIDENTIAL - 1B	1	5%			$0	$0
RESIDENTIAL - 2B	1	5%			$0	$0
RESIDENTIAL - 3B	1	5%			$0	$0
RESIDENTIAL OPERATING COSTS		5%			$0	$0
				TOTAL RESIDENTIAL	$0	$0
				TOTAL RENTAL INCOME	$465,428	$594,017

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM			
SURFACE		5%	$0		$0	$0
DECK		5%			$0	$0
UNDERGROUND		5%			$0	$0
				TOTAL PARKING	$0	$0

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0
GROSS POTENTIAL INCOME					$465,428	$594,017

	RATE	COSTS ARE BASED ON		
LESS:PERMANENT VACANCY - RETAIL	5%		($23,271)	($29,701)
LESS:PERMANENT VACANCY - OFFICE			$0	$0
LESS:PERMANENT VACANCY - RES	0%		$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA	($7,083)	($9,039)
LESS:OP COST ON VACANCY - OFFICE		PSF PA	$0	$0
LESS:OP COST ON VACANCY - RES	$250.00	PU PM	$0	$0
EFFECTIVE GROSS INCOME			$435,074	$555,277
LESS: LANDLORD EXPENSES				
NET INCOME BEFORE DEBT SERVICE YEAR 1			$435,074	$555,277

SCARBOROUGH STRIP RETAIL 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$435,074
YEAR 6	$555,277
CAP RATE 8.00%	
PROJECT VALUE: YEAR 1	$5,438,425
PROJECT VALUE: YEAR 6	$6,940,962

OVERALL RATES OF RETURN:

OVERALL RATE OF RETURN- YEAR 1	9.76%
OVERALL RATE CF RETURN- YEAR 6	12.46%
OVERALL RETURN ON CASH - YEAR 1	5.50%
OVERALL RETURN ON CASH - YEAR 6	20.56%

COMPARATIVE ANALYSIS:	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$1,732,395	$1,732,395	
CONSTRUCTION	$1,595,470	$1,595,470	
SOFT COST	$1,128,396	$1,128,396	
TOTAL COST	4,456,260	$4,456,260	
NET INCOME BDS	$435,074	$435,074	
OVERALL RETURN	9.76%	9.76%	
VALUE	5,438,425	$5,438,425	
COST	4,456,260	$4,456,260	
CREATED VALUE	982,165	982,165	
CREATED VALUE %	22.04%	22.04%	

HOUSING INTENSIFICATION STUDY

20-Aug-90

SCARBOROUGH STRIP RETAIL-2 STOREY

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	6
CONSTRUCTION COMPLETION	14
COMPLETION-LEASEUP	19

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	61,350	
	VALUE(P.A.)	$1,089,000	$25.00 (PSF)
	VALUE	$1,533,750	

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	18,406	$5.00	$92,030
	OFFICE	0		$0
	RESIDENCE	0		$0
	PARKING	0		$0
				$92,030

PURCHASE PRICE ALLOCATION:	LAND		$1,533,750
	BUILDING		$0
		TOTAL	$1,533,750

FINANCING:	AMOUNT	$1,533,750
	STATED RATE	12.00%
	NOMINAL RATE	11.7106%
	AMORT.(mos.)	300
	MONTHLY PAYMENTS	$15,827

LAND COSTS	MONTHS		RATE/MONTH		ALLOW.	TOTAL
PURCHASE PRICE						$1,533,750
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	5		($7,669)			($38,346)
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$92,030	$92,030
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	6		$15,827			$94,961
PROPERTY TAXES					$10,000	$10,000
PLANNING/REZONING COSTS					$40,000	$40,000
					TOTAL	$1,732,395

SCARBOROUGH STRIP RETAIL-2 STOREY

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO				$0
RETAIL	NEW	20,236	$60.00		$1,214,160
OFFICE	RENO				$0
OFFICE	NEW				$0
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW	1	$75.00	625	$46,875
RES-2B	RENO				$0
RES-2B	NEW	16	$75.00	850	$1,020,000
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	97	$3,000.00		$291,000
	DECK				$0
	UNDERG'D				$0
				TOTAL	$2,572,035

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$12,860
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$38,581
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$102,881
		CONSTRUCTION TOTAL		$2,726,357

PROPORTIONATE SHARE	COMMERCIAL	RESIDENTIAL
	53.23%	46.77%

SCARBOROUGH STRIP RETAIL-2 STOREY

20-Aug-90

SOFT COSTS:

	RATE		COSTS ARE BASED ON ITEM	
ACCOUNTING & MANAGEMENT	0.50%	OF	TOTAL BUILDING COSTS	$12,860
ADVERTISING & PROMOTION	1.50%	OF	TOTAL BUILDING COSTS	$38,581
ARCHITECT/ENGINEERS	4.00%	OF	TOTAL BUILDING COSTS	$102,881
COST CONSULTANTS	0.15%	OF	TOTAL BUILDING COSTS	$3,858
LANDSCAPE ARCHITECT	0.00%	OF	TOTAL BUILDING COSTS	$0
LEGAL FEES	0.75%	OF	TOTAL BUILDING COSTS	$19,290
PERMITS	1.00%	OF	TOTAL BUILDING COSTS	$25,720
LOT LEVIES	$0.75	PER	GROSS FLOOR AREA	$25,377
MARKETING COSTS	2.00%	OF	TOTAL BUILDING COSTS	$51,441
MISCELLANEOUS		OF	TOTAL BUILDING COSTS	$0
COMMISSIONS				
RETAIL	18.00%	OF	NET RENTAL INCOME	$83,777
OFFICE	18.00%	OF	NET RENTAL INCOME	$0
RESIDENTIAL (LEASE)	7.00%	OF	NET RENTAL INCOME	$9,870
PROJECT MANAGEMENT	5.00%	OF	TOTAL BUILDING COSTS	$128,602
INSURANCE	1.00%	OF	TOTAL BUILDING COSTS	$25,720
TENANT DESIGN	$0.50	PER	SF OF COMMERCIAL NRA	$10,118
TENANT INDUCEMENTS & FINISHES				
RETAIL	$23.00	PER	SF OF LEASABLE AREA	$465,428
OFFICE	$25.00	PER	SF OF LEASABLE AREA	$0
RESIDENTIAL			INCL IN CONST'N	

	%
PRELEASING: RETAIL	50%
: OFFICE	
: RESIDENTIAL	100%

VACANCY COST DURING LEASING					
RETAIL	5	MONTHS X	RATE PSF	$7.00	$14,755
OFFICE	5	MONTHS X	RATE PSF		$0
RESIDENTIAL	5	MONTHS X	RATE P.U.	$250.00	$0
			TOTAL BEFORE FINANCE		$1,018,279

	RATE			
CONSTRUCTION FINANCING	13.00%			
LAND PURCHASE	13	MONTHS ON	COST	$216,003
CONSTRUCTION	13	MONTHS ON	COST	$265,820
SOFT COST	13	MONTHS ON	COST	$99,282
LESS: INCOME DURING LEASEUP	5	MONTHS LESS 3 MO. FREE ON	COMM.	($155,714)
COMMITMENT FEE	1.00%	OF INTERIM LOAN	AMOUNT	$5,811
			TOTAL INTERIM FINANCE	$431,202
			TOTAL SOFT COSTS	$1,449,481

SCARBOROUGH STRIP RETAIL-2 STOREY

20-Aug-90

DEVELOPMENT COST SUMMARY	RATE	COSTS ARE BASED ON ITEM	
LAND COST		FROM ABOVE	$1,732,395
CONSTRUCTION COST		FROM ABOVE	$2,726,357
SOFT COST		FROM ABOVE	$1,018,279
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$5,477,031
DEVELOPMENT INTEREST		FROM ABOVE	$431,202
TOTAL DEVELOPMENT COST			$5,908,233
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$5,908,233

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	$4,156,252
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$40,005
	ANNUAL PAYMENTS	$480,062
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	$5,304,548
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$51,058
	ANNUAL PAYMENTS	$612,694
	DEBT SERVICE RATIO	1.20

SCARBOROUGH STRIP RETAIL-2 STOREY

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU	RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$23.00	$465,428	$594,017
OFFICE	5	5%		$0	$0
			TOTAL COMMERCIAL	$465,428	$594,017
RESIDENTIAL					
RESIDENTIAL - B	1	5%		$0	$0
RESIDENTIAL - 1B	1	5%	$800.00	$9,600	$12,252
RESIDENTIAL - 2B	1	5%	$950.00	$182,400	$232,794
RESIDENTIAL - 3B	1	5%		$0	$0
RESIDENTIAL OPERATING COSTS		5%	($250.00)	($51,000)	($65,090)
			TOTAL RESIDENTIAL	$141,000	$179,956
			TOTAL RENTAL INCOME	$606,428	$773,973

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM		
SURFACE		5%		$0	$0
DECK		5%		$0	$0
UNDERGROUND		5%		$0	$0
			TOTAL PARKING	$0	$0

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0
GROSS POTENTIAL INCOME					$606,428	$773,973

	RATE	COSTS ARE BASED ON		
LESS:PERMANENT VACANCY - RETAIL	5%		($23,271)	($29,701)
LESS:PERMANENT VACANCY - OFFICE			$0	$0
LESS:PERMANENT VACANCY - RES	0%		$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA	($7,083)	($9,039)
LESS:OP COST ON VACANCY - OFFICE		PSF PA	$0	$0
LESS:OP COST ON VACANCY - RES	$250.00	PU PM	$0	$0
EFFECTIVE GROSS INCOME			$576,074	$735,233
LESS: LANDLORD EXPENSES				
NET INCOME BEFORE DEBT SERVICE YEAR 1			$576,074	$735,233

SCARBOROUGH STRIP RETAIL-2 STOREY 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$576,074
YEAR 6	$735,233
CAP RATE	8.00%
PROJECT VALUE: YEAR 1	$7,200,925
PROJECT VALUE: YEAR 6	$9,190,408

OVERALL RATES OF RETURN:

OVERALL RATE OF RETURN- YEAR 1	9.75%
OVERALL RATE OF RETURN- YEAR 6	12.44%
OVERALL RETURN ON CASH - YEAR 1	5.48%
OVERALL RETURN ON CASH - YEAR 6	20.30%

COMPARATIVE ANALYSIS:	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$1,732,395	$1,732,395	$0
CONSTRUCTION	$2,726,357	$1,451,198	$1,275,159
SOFT COST	$1,449,481	$1,236,468	$213,013
TOTAL COST	5,908,233	$4,420,061	1,488,172
NET INCOME BDS	$576,074	$435,074	$141,000
OVERALL RETURN	9.75%	9.84%	9.47%
VALUE	7,200,925	$5,438,425	$1,762,500
COST	5,908,233	$4,420,061	1,488,172
CREATED VALUE	1,292,692	$1,018,364	274,328
CREATED VALUE %	21.88%	23.04%	18.43%

HOUSING INTENSIFICATION STUDY

20-Aug-90

SCARBOROUGH STRIP RETAIL-3 STOREY

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	6
CONSTRUCTION COMPLETION	15
COMPLETION-LEASEUP	20

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	61,350	
	VALUE(P.A.)	$1,089,000	$25.00 (PSF)
	VALUE	$1,533,750	

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	18,406	$5.00	$92,030
	OFFICE	0		$0
	RESIDENCE	0		$0
	PARKING	0		$0
				$92,030

PURCHASE PRICE ALLOCATION:	LAND	$1,533,750
	BUILDING	$0
	TOTAL	$1,533,750

FINANCING:	AMOUNT	$1,533,750
	STATED RATE	12.00%
	NOMINAL RATE	11.7106%
	AMORT.(mos.)	300
	MONTHLY PAYMENTS	$15,827

LAND COSTS	MONTHS		RATE/MONTH		ALLOW.	TOTAL
PURCHASE PRICE						$1,533,750
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	5		($7,669)			($38,346)
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$92,030	$92,030
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	6		$15,827			$94,961
PROPERTY TAXES					$10,000	$10,000
PLANNING/REZONING COSTS					$40,000	$40,000
					TOTAL	$1,732,395

SCARBOROUGH STRIP RETAIL-3 STOREY

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO				$0
RETAIL	NEW	16,361	$60.00		$981,660
OFFICE	RENO				$0
OFFICE	NEW				$0
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW	2	$75.00	625	$93,750
RES-2B	RENO				$0
RES-2B	NEW	32	$75.00	850	$2,040,000
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	92	$3,000.00		$276,000
	DECK				$0
	UNDERG'D				$0
				TOTAL	$3,391,410

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$16,957
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$50,871
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$135,656
		CONSTRUCTION TOTAL		$3,594,895

PROPORTIONATE SHARE	COMMERCIAL	RESIDENTIAL
	31.51%	68.49%

SCARBOROUGH STRIP RETAIL-3 STOREY

20-Aug-90

SOFT COSTS:

		COSTS ARE BASED ON RATE	ITEM	
ACCOUNTING & MANAGEMENT		0.50%	OF TOTAL BUILDING COSTS	$16,957
ADVERTISING & PROMOTION		1.50%	OF TOTAL BUILDING COSTS	$50,871
ARCHITECT/ENGINEERS		4.00%	OF TOTAL BUILDING COSTS	$135,656
COST CONSULTANTS		0.15%	OF TOTAL BUILDING COSTS	$5,087
LANDSCAPE ARCHITECT		0.00%	OF TOTAL BUILDING COSTS	$0
LEGAL FEES		0.75%	OF TOTAL BUILDING COSTS	$25,436
PERMITS		1.00%	OF TOTAL BUILDING COSTS	$33,914
LOT LEVIES		$0.75	PER GROSS FLOOR AREA	$32,671
MARKETING COSTS		2.00%	OF TOTAL BUILDING COSTS	$67,828
MISCELLANEOUS			OF TOTAL BUILDING COSTS	$0
COMMISSIONS				
RETAIL		18.00%	OF NET RENTAL INCOME	$67,735
OFFICE		18.00%	OF NET RENTAL INCOME	$0
RESIDENTIAL (LEASE)		7.00%	OF NET RENTAL INCOME	$19,740
PROJECT MANAGEMENT		5.00%	OF TOTAL BUILDING COSTS	$169,571
INSURANCE		1.00%	OF TOTAL BUILDING COSTS	$33,914
TENANT DESIGN		$0.50	PER SF OF COMMERCIAL NRA	$8,181
TENANT INDUCEMENTS & FINISHES				
RETAIL		$23.00	PER SF OF LEASABLE AREA	$376,303
OFFICE		$25.00	PER SF OF LEASABLE AREA	$0
RESIDENTIAL			INCL IN CONST'N	
	%			
PRELEASING: RETAIL	50%			
: OFFICE				
: RESIDENTIAL	100%			

VACANCY COST DURING LEASING					
RETAIL	5	MONTHS X RATE PSF	$7.00	$11,930
OFFICE	5	MONTHS X RATE PSF		$0
RESIDENTIAL	5	MONTHS X RATE P.U.	$250.00	$0
			TOTAL BEFORE FINANCE	$1,055,793
	RATE			
CONSTRUCTION FINANCING	13.00%			
LAND PURCHASE	14	MONTHS ON COST		$232,619
CONSTRUCTION	14	MONTHS ON COST		$369,975
SOFT COST	14	MONTHS ON COST		$108,659
LESS: INCOME DURING LEASEUP	5	MONTHS LESS 3 MO. FREE ON COMM.		($195,896)
COMMITMENT FEE	1.00%	OF INTERIM LOAN AMOUNT		$7,113
			TOTAL INTERIM FINANCE	$522,468
			TOTAL SOFT COSTS	$1,578,261

SCARBOROUGH STRIP RETAIL-3 STOREY

20-Aug-90

DEVELOPMENT COST SUMMARY	RATE	COSTS ARE BASED ON ITEM	
LAND COST		FROM ABOVE	$1,732,395
CONSTRUCTION COST		FROM ABOVE	$3,594,895
SOFT COST		FROM ABOVE	$1,055,793
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$6,383,082
DEVELOPMENT INTEREST		FROM ABOVE	$522,468
TOTAL DEVELOPMENT COST			$6,905,550
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$6,905,550

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	$4,572,455
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$44,011
	ANNUAL PAYMENTS	$528,135
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	$5,835,740
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$56,171
	ANNUAL PAYMENTS	$674,048
	DEBT SERVICE RATIO	1.20

SCARBOROUGH STRIP RETAIL-3 STOREY

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU	RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$23.00	$376,303	$480,269
OFFICE	5	5%		$0	$0
			TOTAL COMMERCIAL	$376,303	$480,269
RESIDENTIAL					
RESIDENTIAL - B	1	5%		$0	$0
RESIDENTIAL - 1B	1	5%	$800.00	$19,200	$24,505
RESIDENTIAL - 2B	1	5%	$950.00	$364,800	$465,588
RESIDENTIAL - 3B	1	5%		$0	$0
RESIDENTIAL OPERATING COSTS		5%	($250.00)	($102,000)	($130,181)
			TOTAL RESIDENTIAL	$282,000	$359,911
			TOTAL RENTAL INCOME	$658,303	$840,180

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM		
SURFACE		5%	$0	$0	$0
DECK		5%		$0	$0
UNDERGROUND		5%	$0	$0	$0
			TOTAL PARKING	$0	$0

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0
GROSS POTENTIAL INCOME					$658,303	$840,180

	RATE	COSTS ARE BASED ON		
LESS:PERMANENT VACANCY - RETAIL	5%		($18,815)	($24,013)
LESS:PERMANENT VACANCY - OFFICE			$0	$0
LESS:PERMANENT VACANCY - RES	0%		$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA	($5,726)	($7,308)
LESS:OP COST ON VACANCY - OFFICE		PSF PA	$0	$0
LESS:OP COST ON VACANCY - RES	$250.00	PU PM	$0	$0
EFFECTIVE GROSS INCOME			$633,762	$808,858
LESS: LANDLORD EXPENSES				
NET INCOME BEFORE DEBT SERVICE YEAR 1			$633,762	$808,858

SCARBOROUGH STRIP RETAIL-3 STOREY 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$633,762
YEAR 6	$808,858
CAP RATE 8.00%	
PROJECT VALUE: YEAR 1	$7,922,019
PROJECT VALUE: YEAR 6	$10,110,726

OVERALL RATES OF RETURN:

OVERALL RATE OF RETURN- YEAR 1	9.18%
OVERALL RATE OF RETURN- YEAR 6	11.71%
OVERALL RETURN ON CASH - YEAR 1	4.53%
OVERALL RETURN ON CASH - YEAR 6	12.60%

COMPARATIVE ANALYSIS:	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$1,732,395	$1,440,720	$291,675
CONSTRUCTION	$3,594,895	$1,132,745	$2,462,150
SOFT COST	$1,578,261	$1,078,857	$499,404
TOTAL COST	6,905,550	$3,652,321	3,253,229
NET INCOME BDS	$633,762	$351,762	$282,000
OVERALL RETURN	9.18%	9.63%	8.67%
VALUE	7,922,019	$4,397,019	$3,525,000
COST	6,905,550	$3,652,321	3,253,229
CREATED VALUE	1,016,468	$744,698	271,771
CREATED VALUE %	14.72%	20.39%	8.35%

HOUSING INTENSIFICATION STUDY

20-Aug-90

SCARBOROUGH STRIP RETAIL-5 STOREY

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	6
CONSTRUCTION COMPLETION	18
COMPLETION-LEASEUP	23

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	61,356	
	VALUE(P.A.)	$1,388,693	$31.88 (PSF)
	VALUE	$1,956,029	

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	18,406	$5.00	$92,030
	OFFICE	0		$0
	RESIDENCE	0		$0
	PARKING	0		$0
				$92,030

PURCHASE PRICE ALLOCATION:	LAND		$1,956,029
	BUILDING		$0
		TOTAL	$1,956,029

FINANCING:	AMOUNT	$1,956,029
	STATED RATE	12.00%
	NOMINAL RATE	11.7106%
	AMORT.(mos.)	300
	MONTHLY PAYMENTS	$20,184

LAND COSTS	MONTHS		RATE/MONTH		ALLOW.	TOTAL
PURCHASE PRICE						$1,956,029
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	5		($7,669)			($38,346)
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$92,030	$92,030
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	6		$20,184			$121,106
PROPERTY TAXES					$10,000	$10,000
PLANNING/REZONING COSTS					$40,000	$40,000
					TOTAL	$2,180,819

SCARBOROUGH STRIP RETAIL-5 STOREY

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO				$0
RETAIL	NEW	16,361	$60.00		$981,660
OFFICE	RENO				$0
OFFICE	NEW				$0
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW	4	$80.00	625	$200,000
RES-2B	RENO				$0
RES-2B	NEW	64	$80.00	850	$4,352,000
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	92	$3,000.00		$276,000
	DECK				$0
	UNDERG'D	26	$15,000.00		$390,000
				TOTAL	$6,199,660

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$30,998
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$92,995
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$247,986
		CONSTRUCTION TOTAL		$6,571,640

PROPORTIONATE SHARE	COMMERCIAL	RESIDENTIAL
	17.74%	82.26%

SCARBOROUGH STRIP RETAIL-5 STOREY

20-Aug-90

COSTS ARE BASED ON

SOFT COSTS:

	RATE	ITEM	
ACCOUNTING & MANAGEMENT	0.50%	OF TOTAL BUILDING COSTS	$30,998
ADVERTISING & PROMOTION	1.50%	OF TOTAL BUILDING COSTS	$92,995
ARCHITECT/ENGINEERS	4.00%	OF TOTAL BUILDING COSTS	$247,986
COST CONSULTANTS	0.15%	OF TOTAL BUILDING COSTS	$9,299
LANDSCAPE ARCHITECT	0.00%	OF TOTAL BUILDING COSTS	$0
LEGAL FEES	0.75%	OF TOTAL BUILDING COSTS	$46,497
PERMITS	1.00%	OF TOTAL BUILDING COSTS	$61,997
LOT LEVIES	$0.75	PER GROSS FLOOR AREA	$53,071
MARKETING COSTS	2.00%	OF TOTAL BUILDING COSTS	$123,993
MISCELLANEOUS		OF TOTAL BUILDING COSTS	$0
COMMISSIONS			
RETAIL	18.00%	OF NET RENTAL INCOME	$67,735
OFFICE	18.00%	OF NET RENTAL INCOME	$0
RESIDENTIAL (LEASE)	7.00%	OF NET RENTAL INCOME	$42,336
PROJECT MANAGEMENT	5.00%	OF TOTAL BUILDING COSTS	$309,983
INSURANCE	1.00%	OF TOTAL BUILDING COSTS	$61,997
TENANT DESIGN	$0.50	PER SF OF COMMERCIAL NRA	$8,181
TENANT INDUCEMENTS & FINISHES			
RETAIL	$23.00	PER SF OF LEASABLE AREA	$376,303
OFFICE	$25.00	PER SF OF LEASABLE AREA	$0
RESIDENTIAL		INCL IN CONST'N	

	%
PRELEASING: RETAIL	50%
: OFFICE	
: RESIDENTIAL	100%

VACANCY COST DURING LEASING				
RETAIL	5	MONTHS X RATE PSF	$7.00	$11,930
OFFICE	5	MONTHS X RATE PSF		$0
RESIDENTIAL	5	MONTHS X RATE P.U.	$250.00	$0
		TOTAL BEFORE FINANCE		$1,545,301

CONSTRUCTION FINANCING	RATE 13.00%		
LAND PURCHASE	17	MONTHS ON COST	$360,235
CONSTRUCTION	17	MONTHS ON COST	$783,120
SOFT COST	17	MONTHS ON COST	$184,148
LESS: INCOME DURING LEASEUP	5	MONTHS LESS 3 MO. FREE ON COMM.	($332,996)
COMMITMENT FEE	1.00%	OF INTERIM LOAN AMOUNT	$13,275
		TOTAL INTERIM FINANCE	$1,007,783
		TOTAL SOFT COSTS	$2,553,083

SCARBOROUGH STRIP RETAIL-5 STOREY

20-Aug-90

DEVELOPMENT COST SUMMARY	RATE	COSTS ARE BASED ON ITEM	
LAND COST		FROM ABOVE	$2,180,819
CONSTRUCTION COST		FROM ABOVE	$6,571,640
SOFT COST		FROM ABOVE	$1,545,301
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$10,297,759
DEVELOPMENT INTEREST		FROM ABOVE	$1,007,783
TOTAL DEVELOPMENT COST			$11,305,542
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$11,305,542

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	$6,991,430
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$67,295
	ANNUAL PAYMENTS	$807,535
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	$8,923,033
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$85,887
	ANNUAL PAYMENTS	$1,030,641
	DEBT SERVICE RATIO	1.20

SCARBOROUGH STRIP RETAIL-5 STOREY

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU		RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$23.00		$376,303	$480,269
OFFICE	5	5%			$0	$0
				TOTAL COMMERCIAL	$376,303	$480,269
RESIDENTIAL						
RESIDENTIAL - B	1	5%			$0	$0
RESIDENTIAL - 1B	1	5%	$850.00		$40,800	$52,072
RESIDENTIAL - 2B	1	5%	$1,000.00		$768,000	$980,184
RESIDENTIAL - 3B	1	5%			$0	$0
RESIDENTIAL OPERATING COSTS		5%	($250.00)		($204,000)	($260,361)
				TOTAL RESIDENTIAL	$604,800	$771,895
				TOTAL RENTAL INCOME	$981,103	$1,252,164

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM			
SURFACE		5%	$0		$0	$0
DECK		5%			$0	$0
UNDERGROUND		5%	$40		$12,480	$15,928
				TOTAL PARKING	$12,480	$15,928

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0
GROSS POTENTIAL INCOME					$993,583	$1,268,092

	RATE	COSTS ARE BASED ON		
LESS:PERMANENT VACANCY - RETAIL	5%		($18,815)	($24,013)
LESS:PERMANENT VACANCY - OFFICE			$0	$0
LESS:PERMANENT VACANCY - RES	0%		$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA	($5,726)	($7,308)
LESS:OP COST ON VACANCY - OFFICE		PSF PA	$0	$0
LESS:OP COST ON VACANCY - RES	$250.00	PU PM	$0	$0
EFFECTIVE GROSS INCOME			$969,042	$1,236,770
LESS: LANDLORD EXPENSES				
NET INCOME BEFORE DEBT SERVICE YEAR 1			$969,042	$1,236,770

SCARBOROUGH STRIP RETAIL-5 STOREY 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$969,042
YEAR 6	$1,236,770
CAP RATE 8.00%	
PROJECT VALUE: YEAR 1	$12,113,019
PROJECT VALUE: YEAR 6	$15,459,622

OVERALL RATES OF RETURN:

OVERALL RATE OF RETURN- YEAR 1	8.57%
OVERALL RATE OF RETURN- YEAR 6	10.94%
OVERALL RETURN ON CASH - YEAR 1	3.74%
OVERALL RETURN ON CASH - YEAR 6	8.65%

COMPARATIVE ANALYSIS:	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$2,180,819	$818,050	$1,362,769
CONSTRUCTION	$6,571,640	$1,165,795	$5,405,844
SOFT COST	$2,553,083	$1,026,463	$1,526,621
TOTAL COST	11,305,542	$3,010,308	8,295,234
NET INCOME BDS	$969,042	$353,975	$615,066
OVERALL RETURN	8.57%	11.76%	7.41%
VALUE	12,113,019	$4,424,693	$7,688,326
COST	11,305,542	$3,010,308	8,295,234
CREATED VALUE	807,477	$1,414,385	(606,908)
CREATED VALUE %	7.14%	46.98%	-7.32%

HOUSING INTENSIFICATION STUDY

20-Aug-90

SCARBOROUGH STRIP RETAIL-MIXED

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	9
CONSTRUCTION COMPLETION	23
COMPLETION-LEASEUP	32

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	61,350		
	VALUE(P.A.)	$1,892,246	$43.44	(PSF)
	VALUE	$2,665,044		

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	18,406	$5.00	$92,030
	OFFICE	0		$0
	RESIDENCE	0		$0
	PARKING	0		$0
				$92,030

PURCHASE PRICE ALLOCATION:	LAND	$2,665,044
	BUILDING	$0
	TOTAL	$2,665,044

FINANCING:	AMOUNT	$2,665,044
	STATED RATE	12.00%
	NOMINAL RATE	11.7106%
	AMORT.(mos.)	300
	MONTHLY PAYMENTS	$27,501

LAND COSTS	MONTHS		RATE/MONTH		ALLOW.	TOTAL
PURCHASE PRICE						$2,665,044
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	7		($7,669)			($53,684)
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$92,030	$92,030
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	9		$27,501			$247,505
PROPERTY TAXES					$10,000	$10,000
PLANNING/REZONING COSTS					$40,000	$40,000
					TOTAL	$3,000,895

SCARBOROUGH STRIP RETAIL-MIXED

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO				$0
RETAIL	NEW	23,896	$60.00		$1,433,760
OFFICE	RENO				$0
OFFICE	NEW	29,063	$80.00		$2,325,040
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW	3	$80.00	625	$150,000
RES-2B	RENO				$0
RES-2B	NEW	33	$80.00	850	$2,244,000
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	65	$3,000.00		$195,000
	DECK				$0
	UNDERG'D	124	$15,000.00		$1,860,000
				TOTAL	$8,207,800

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$41,039
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$123,117
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$328,312
		CONSTRUCTION TOTAL		$8,700,268

PROPORTIONATE SHARE	COMMERCIAL	RESIDENTIAL
	61.09%	38.91%

SCARBOROUGH STRIP RETAIL-MIXED

20-Aug-90

COSTS ARE BASED ON

SOFT COSTS:

	RATE	ITEM	
ACCOUNTING & MANAGEMENT	0.50%	OF TOTAL BUILDING COSTS	$41,039
ADVERTISING & PROMOTION	1.50%	OF TOTAL BUILDING COSTS	$123,117
ARCHITECT/ENGINEERS	4.00%	OF TOTAL BUILDING COSTS	$328,312
COST CONSULTANTS	0.15%	OF TOTAL BUILDING COSTS	$12,312
LANDSCAPE ARCHITECT	0.00%	OF TOTAL BUILDING COSTS	$0
LEGAL FEES	0.75%	OF TOTAL BUILDING COSTS	$61,559
PERMITS	1.00%	OF TOTAL BUILDING COSTS	$82,078
LOT LEVIES	$0.75	PER GROSS FLOOR AREA	$61,319
MARKETING COSTS	2.00%	OF TOTAL BUILDING COSTS	$164,156
MISCELLANEOUS		OF TOTAL BUILDING COSTS	$0
COMMISSIONS			
RETAIL	18.00%	OF NET RENTAL INCOME	$107,532
OFFICE	18.00%	OF NET RENTAL INCOME	$88,933
RESIDENTIAL (LEASE)	7.00%	OF NET RENTAL INCOME	$23,751
PROJECT MANAGEMENT	5.00%	OF TOTAL BUILDING COSTS	$410,390
INSURANCE	1.00%	OF TOTAL BUILDING COSTS	$82,078
TENANT DESIGN	$0.50	PER SF OF COMMERCIAL NRA	$26,480
TENANT INDUCEMENTS & FINISHES			
RETAIL	$25.00	PER SF OF LEASABLE AREA	$597,400
OFFICE	$25.00	PER SF OF LEASABLE AREA	$726,575
RESIDENTIAL		INCL IN CONST'N	

	%
PRELEASING: RETAIL	50%
: OFFICE	20%
: RESIDENTIAL	100%

VACANCY COST DURING LEASING				
RETAIL	9	MONTHS X RATE PSF	$7.00	$31,364
OFFICE	9	MONTHS X RATE PSF	$7.00	$61,032
RESIDENTIAL	9	MONTHS X RATE P.U.	$250.00	$0
		TOTAL BEFORE FINANCE		$3,029,426

	RATE			
CONSTRUCTION FINANCING	13.00%			
LAND PURCHASE	23	MONTHS ON COST		$664,040
CONSTRUCTION	23	MONTHS ON COST		$1,508,046
SOFT COST	23	MONTHS ON COST		$525,100
LESS: INCOME DURING LEASEUP	9	MONTHS LESS 3 MO. FREE ON COMM.		($580,511)
COMMITMENT FEE	1.00%	OF INTERIM LOAN AMOUNT		$26,972
		TOTAL INTERIM FINANCE		$2,143,648
		TOTAL SOFT COSTS		$5,173,074

SCARBOROUGH STRIP RETAIL-MIXED

20-Aug-90

DEVELOPMENT COST SUMMARY	RATE	COSTS ARE BASED ON ITEM	
LAND COST		FROM ABOVE	$3,000,895
CONSTRUCTION COST		FROM ABOVE	$8,700,268
SOFT COST		FROM ABOVE	$3,029,426
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$14,730,589
DEVELOPMENT INTEREST		FROM ABOVE	$2,143,648
TOTAL DEVELOPMENT COST			$16,874,237
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$16,874,237

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	10,281,699
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$98,964
	ANNUAL PAYMENTS	$1,187,572
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	13,122,343
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$126,306
	ANNUAL PAYMENTS	$1,515,677
	DEBT SERVICE RATIO	1.20

SCARBOROUGH STRIP RETAIL-MIXED

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU	RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$25.00	$597,400	$762,451
OFFICE	5	5%	$17.00	$494,071	$630,574
			TOTAL COMMERCIAL	$1,091,471	$1,393,024
RESIDENTIAL					
RESIDENTIAL - B	1	5%		$0	$0
RESIDENTIAL - 1B	1	5%	$875.00	$31,500	$40,203
RESIDENTIAL - 2B	1	5%	$1,050.00	$415,800	$530,678
RESIDENTIAL - 3B	1	5%		$0	$0
RESIDENTIAL OPERATING COSTS		5%	($250.00)	($108,000)	($137,838)
			TOTAL RESIDENTIAL	$339,300	$433,042
			TOTAL RENTAL INCOME	$1,430,771	$1,826,067

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM		
SURFACE		5%	$0	$0	$0
DECK		5%		$0	$0
UNDERGROUND		5%	$50	$74,400	$94,955
			TOTAL PARKING	$74,400	$94,955

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0
GROSS POTENTIAL INCOME					$1,505,171	$1,921,022

	RATE	COSTS ARE BASED ON		
LESS:PERMANENT VACANCY - RETAIL	5%		($29,870)	($38,123)
LESS:PERMANENT VACANCY - OFFICE	6%		($29,644)	($37,834)
LESS:PERMANENT VACANCY - RES	0%		$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA	($8,364)	($10,674)
LESS:OP COST ON VACANCY - OFFICE	$7.00	PSF PA	($12,206)	($15,579)
LESS:OP COST ON VACANCY - RES	$250.00	PU PM	$0	$0
EFFECTIVE GROSS INCOME			$1,425,087	$1,818,812
LESS: LANDLORD EXPENSES				
NET INCOME BEFORE DEBT SERVICE YEAR 1			$1,425,087	$1,818,812

SCARBOROUGH STRIP RETAIL-3 STOREY 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$1,425,087
YEAR 6	$1,818,812
CAP RATE 8.00%	
PROJECT VALUE: YEAR 1	$17,813,584
PROJECT VALUE: YEAR 6	$22,735,148

OVERALL RATES OF RETURN:

OVERALL RATE OF RETURN- YEAR 1	8.45%
OVERALL RATE OF RETURN- YEAR 6	10.78%
OVERALL RETURN ON CASH - YEAR 1	3.60%
OVERALL RETURN ON CASH - YEAR 6	8.08%

COMPARATIVE ANALYSIS:	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$3,000,895	$2,065,880	$935,015
CONSTRUCTION	8,700,268	$5,315,071	$3,385,197
SOFT COST	$5,173,074	$3,949,769	$1,223,305
TOTAL COST	16,874,237	11,330,720	5,543,517
NET INCOME BDS	$1,425,087	$1,056,838	$368,248
OVERALL RETURN	8.45%	9.33%	6.64%
VALUE	17,813,584	13,210,479	$4,603,105
COST	16,874,237	11,330,720	5,543,517
CREATED VALUE	939,347	$1,879,759	(940,412)
CREATED VALUE %	5.57%	16.59%	-16.96%

HOUSING INTENSIFICATION STUDY

20-Aug-90

NORTH YORK AFFORDABLE CONDO

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	8
CONSTRUCTION COMPLETION	20
COMPLETION-LEASEUP	21

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	26,500	
	VALUE(P.A.)	$3,267,000	$75.00 (PSF)
	VALUE	$1,987,500	

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	3,875	$9.00	$34,875
	OFFICE			$0
	RESIDENCE			$0
	PARKING			$0
				$34,875

PURCHASE PRICE ALLOCATION:	LAND		$1,987,500
	BUILDING		$0
		TOTAL	$1,987,500
FINANCING:	AMOUNT		$1,987,500
	STATED RATE		12.00%
	NOMINAL RATE		11.7106%
	AMORT.(mos.)		300
	MONTHLY PAYMENTS		$20,509

LAND COSTS	MONTHS		RATE/MONTH		ALLOW.	TOTAL
PURCHASE PRICE						$1,987,500
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	6		($2,906)			($17,438)
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$19,375	$19,375
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	8		$20,509			$164,072
PROPERTY TAXES					$5,000	$5,000
PLANNING/REZONING COSTS					$40,000	$40,000
					TOTAL	$2,198,510

NORTH YORK AFFORDABLE CONDO

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO				$0
RETAIL	NEW	10,226	$60.00		$613,560
OFFICE	RENO				$0
OFFICE	NEW				$0
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW	12	$85.00	625	$637,500
RES-2B	RENO				$0
RES-2B	NEW	36	$85.00	850	$2,601,000
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	34	$3,000.00		$102,000
	DECK				$0
	UNDERG'D	48	$15,000.00		$720,000
				TOTAL	$4,674,060

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$23,370
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$70,111
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$186,962
		CONSTRUCTION TOTAL		$4,954,504

PROPORTIONATE SHARE	COMMERCIAL	RESIDENTIAL
	15.93%	84.07%

NORTH YORK AFFORDABLE CONDO

20-Aug-90

SOFT COSTS:

	RATE		COSTS ARE BASED ON	
ACCOUNTING & MANAGEMENT	0.50%	OF	TOTAL BUILDING COSTS	$23,370
ADVERTISING & PROMOTION	1.50%	OF	TOTAL BUILDING COSTS	$70,111
ARCHITECT/ENGINEERS	4.00%	OF	TOTAL BUILDING COSTS	$186,962
COST CONSULTANTS	0.15%	OF	TOTAL BUILDING COSTS	$7,011
LANDSCAPE ARCHITECT	0.00%	OF	TOTAL BUILDING COSTS	$0
LEGAL FEES	0.75%	OF	TOTAL BUILDING COSTS	$35,055
PERMITS	1.00%	OF	TOTAL BUILDING COSTS	$46,741
LOT LEVIES	$0.75	PER	GROSS FLOOR AREA	$36,470
MARKETING COSTS	2.00%	OF	TOTAL BUILDING COSTS	$93,481
MISCELLANEOUS		OF	TOTAL BUILDING COSTS	$0
COMMISSIONS				
RETAIL	18.00%	OF	NET RENTAL INCOME	$46,017
OFFICE	18.00%	OF	NET RENTAL INCOME	$0
RESIDENTIAL (LEASE)	7.00%	OF	NET RENTAL INCOME	$0
PROJECT MANAGEMENT	5.00%	OF	TOTAL BUILDING COSTS	$233,703
INSURANCE	1.00%	OF	TOTAL BUILDING COSTS	$46,741
TENANT DESIGN	$0.50	PER	SF OF COMMERCIAL NRA	$5,113
TENANT INDUCEMENTS & FINISHES				
RETAIL	$25.00	PER	SF OF LEASABLE AREA	$255,650
OFFICE	$25.00	PER	SF OF LEASABLE AREA	$0
RESIDENTIAL			INCL IN CONST'N	

	%
PRELEASING: RETAIL	50%
: OFFICE	
: RESIDENTIAL	75%

VACANCY COST DURING LEASING					
RETAIL	1	MONTHS X	RATE PSF	$7.00	$1,491
OFFICE	1	MONTHS X	RATE PSF		$0
RESIDENTIAL	1	MONTHS X	RATE P.U.	$250.00	$1,500
			TOTAL BEFORE FINANCE		$1,069,416

	RATE			
CONSTRUCTION FINANCING	13.00%			
LAND PURCHASE	13	MONTHS ON	COST	$279,906
CONSTRUCTION	13	MONTHS ON	COST	$375,717
SOFT COST	13	MONTHS ON	COST	$82,614
LESS: INCOME DURING LEASEUP	1	MONTHS LESS 3 MO. FREE ON	COMM.	($10,652)
COMMITMENT FEE	1.00%	OF INTERIM LOAN	AMOUNT	$7,382
			TOTAL INTERIM FINANCE	$734,967
			TOTAL SOFT COSTS	$1,824,383

NORTH YORK AFFORDABLE CONDO

20-Aug-90

COSTS ARE BASED ON

DEVELOPMENT COST SUMMARY	RATE	ITEM	
LAND COST		FROM ABOVE	$2,198,510
CONSTRUCTION COST		FROM ABOVE	$4,954,504
SOFT COST		FROM ABOVE	$1,089,416
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$8,242,429
DEVELOPMENT INTEREST		FROM ABOVE	$734,967
TOTAL DEVELOPMENT COST			$8,977,397
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$8,977,397

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	$1,726,415
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$16,617
	ANNUAL PAYMENTS	$199,407
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	$2,203,392
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$21,208
	ANNUAL PAYMENTS	$254,499
	DEBT SERVICE RATIO	1.20

NORTH YORK AFFORDABLE CONDO

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU		RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$25.00		$255,650	$326,281
OFFICE	5	5%			$0	$0
				TOTAL COMMERCIAL	$255,650	$326,281
RESIDENTIAL						
RESIDENTIAL - B	1	5%			$0	$0
RESIDENTIAL - 1B	1	5%			$0	$0
RESIDENTIAL - 2B	1	5%			$0	$0
RESIDENTIAL - 3B	1	5%			$0	$0
RESIDENTIAL OPERATING COSTS		5%			$0	$0
				TOTAL RESIDENTIAL	$0	$0
				TOTAL RENTAL INCOME	$255,650	$326,281

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM			
SURFACE		5%			$0	$0
DECK		5%			$0	$0
UNDERGROUND		5%			$0	$0
				TOTAL PARKING	$0	$0

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0
GROSS POTENTIAL INCOME					$255,650	$326,281

	RATE	COSTS ARE BASED ON			
LESS:PERMANENT VACANCY - RETAIL	5%			($12,783)	($16,314)
LESS:PERMANENT VACANCY - OFFICE				$0	$0
LESS:PERMANENT VACANCY - RES				$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA		($3,579)	($4,568)
LESS:OP COST ON VACANCY - OFFICE		PSF PA		$0	$0
LESS:OP COST ON VACANCY - RES		PU PM		$0	$0
EFFECTIVE GROSS INCOME				$239,288	$305,399
LESS: LANDLORD EXPENSES					
NET INCOME BEFORE DEBT SERVICE YEAR 1				$239,288	$305,399

NORTH YORK AFFORDABLE CONDO 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$239,288
YEAR 6	$305,399
CAP RATE 9.00%	
COMM. PROJECT VALUE: YEAR 1	$2,658,760
COMM. PROJECT VALUE: YEAR 6	$3,393,326

OVERALL RATES OF RETURN:

COMM. OVERALL RATE OF RETURN- YEAR 1	10.66%
COMM. OVERALL RATE OF RETURN- YEAR 6	13.60%
COMM. OVERALL RETURN ON CASH - YEAR 1	N/A
COMM. OVERALL RETURN ON CASH - YEAR 6	N/A

CONDO SALES:

UNIT	SQ. FT.	PRICE PSF	UNIT PRICE	# UNITS	TOTALS
RES-B					$0
RES-1B	550	$286	$157,500	12	$1,890,000
RES-2B	750	$242	$181,500	36	$6,534,000
RES-3B					$0
				TOTAL	$8,424,000

LESS:	LEGAL	1.50%	($126,360)
	PROMOTION	3.00%	($252,720)
	COMMISSION	3.00%	($252,720)
	NET SALE PROCEEDS		$7,792,200
	CASH LEFT IN BD		$1,185,197

COMPARATIVE ANALYSIS:

	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$2,198,510	$766,950	$1,431,560
CONSTRUCTION	$4,954,504	$789,158	$4,165,345
SOFT COST	$1,824,383	$688,847	$1,135,536
TOTAL COST	8,977,397	$2,244,956	6,732,441
NET INCOME BDS	N/A	$239,288	N/A
OVERALL RETURN	N/A	10.66%	15.74%
VALUE	N/A	$2,658,760	7,792,200
COST	N/A	$2,244,956	6,732,441
CREATED VALUE	N/A	$413,804	$1,059,759
CREATED VALUE %	N/A	18.43%	15.74%

HOUSING INTENSIFICATION STUDY

20-Aug-90

NORTH YORK CONDO

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	8
CONSTRUCTION COMPLETION	20
COMPLETION-LEASEUP	21

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	25,800	
	VALUE(P.A.)	$3,267,000	$75.00 (PSF)
	VALUE	$1,935,000	

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	3,875	$9.00	$34,875
	OFFICE			$0
	RESIDENCE			$0
	PARKING			$0
				$34,875

PURCHASE PRICE ALLOCATION:	LAND		$1,935,000
	BUILDING		$0
		TOTAL	$1,935,000
FINANCING:	AMOUNT		$1,935,000
	STATED RATE		12.00%
	NOMINAL RATE		11.7106%
	AMORT.(mos.)		300
	MONTHLY PAYMENTS		$19,967

LAND COSTS	MONTHS		RATE/MONTH		ALLOW.	TOTAL
PURCHASE PRICE						$1,935,000
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	6		($2,906)			($17,438)
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$19,375	$19,375
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	8		$19,967			$159,738
PROPERTY TAXES					$5,000	$5,000
PLANNING/REZONING COSTS					$40,000	$40,000
					TOTAL	$2,141,676

NORTH YORK CONDO

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO				$0
RETAIL	NEW	10,226	$60.00		$613,560
OFFICE	RENO				$0
OFFICE	NEW				$0
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW	12	$100.00	750	$900,000
RES-2B	RENO				$0
RES-2B	NEW	28	$100.00	1020	$2,856,000
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	34	$3,000.00		$102,000
	DECK				$0
	UNDERG'D	40	$15,000.00		$600,000
				TOTAL	$5,071,560

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$25,358
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$76,073
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$202,862
		CONSTRUCTION TOTAL		$5,375,854

PROPORTIONATE SHARE	COMMERCIAL	RESIDENTIAL
	14.04%	85.96%

NORTH YORK CONDO

20-Aug-90

SOFT COSTS:

	RATE	ITEM		
	COSTS ARE BASED ON			
ACCOUNTING & MANAGEMENT	0.50%	OF TOTAL BUILDING COSTS		$25,358
ADVERTISING & PROMOTION	1.50%	OF TOTAL BUILDING COSTS		$76,073
ARCHITECT/ENGINEERS	4.00%	OF TOTAL BUILDING COSTS		$202,862
COST CONSULTANTS	0.15%	OF TOTAL BUILDING COSTS		$7,607
LANDSCAPE ARCHITECT	0.00%	OF TOTAL BUILDING COSTS		$0
LEGAL FEES	0.75%	OF TOTAL BUILDING COSTS		$38,037
PERMITS	1.00%	OF TOTAL BUILDING COSTS		$50,716
LOT LEVIES	$0.75	PER GROSS FLOOR AREA		$31,670
MARKETING COSTS	2.00%	OF TOTAL BUILDING COSTS		$101,431
MISCELLANEOUS		OF TOTAL BUILDING COSTS		$0
COMMISSIONS				
RETAIL	18.00%	OF NET RENTAL INCOME		$46,017
OFFICE	18.00%	OF NET RENTAL INCOME		$0
RESIDENTIAL (LEASE)	7.00%	OF NET RENTAL INCOME		$0
PROJECT MANAGEMENT	5.00%	OF TOTAL BUILDING COSTS		$253,578
INSURANCE	1.00%	OF TOTAL BUILDING COSTS		$50,716
TENANT DESIGN	$0.50	PER SF OF COMMERCIAL NRA		$5,113
TENANT INDUCEMENTS & FINISHES				
RETAIL	$25.00	PER SF OF LEASABLE AREA		$255,650
OFFICE	$25.00	PER SF OF LEASABLE AREA		$0
RESIDENTIAL		INCL IN CONST'N		

	%			
PRELEASING: RETAIL	50%			
: OFFICE				
: RESIDENTIAL	75%			
VACANCY COST DURING LEASING				
RETAIL	1	MONTHS X RATE PSF	$7.00	$1,491
OFFICE	1	MONTHS X RATE PSF		$0
RESIDENTIAL	1	MONTHS X RATE P.U.	$250.00	$1,250
		TOTAL BEFORE FINANCE		$1,147,569

	RATE		
CONSTRUCTION FINANCING	13.00%		
LAND PURCHASE	13	MONTHS ON COST	$272,513
CONSTRUCTION	13	MONTHS ON COST	$407,669
SOFT COST	13	MONTHS ON COST	$87,024
LESS: INCOME DURING LEASEUP	1	MONTHS LESS 3 MO. FREE ON COMM.	($10,652)
COMMITMENT FEE	1.00%	OF INTERIM LOAN AMOUNT	$7,672
		TOTAL INTERIM FINANCE	$764,225
		TOTAL SOFT COSTS	$1,911,794

NORTH YORK CONDO

20-Aug-90

DEVELOPMENT COST SUMMARY	RATE	COSTS ARE BASED ON ITEM	
LAND COST		FROM ABOVE	$2,141,676
CONSTRUCTION COST		FROM ABOVE	$5,375,854
SOFT COST		FROM ABOVE	$1,147,569
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$8,665,098
DEVELOPMENT INTEREST		FROM ABOVE	$764,225
TOTAL DEVELOPMENT COST			$9,429,323
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$9,429,323

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	$1,726,415
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$16,617
	ANNUAL PAYMENTS	$199,407
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	$2,203,392
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$21,208
	ANNUAL PAYMENTS	$254,499
	DEBT SERVICE RATIO	1.20

NORTH YORK CONDO

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU		RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$25.00		$255,650	$326,281
OFFICE	5	5%			$0	$0
				TOTAL COMMERCIAL	$255,650	$326,281
RESIDENTIAL						
RESIDENTIAL - B	1	5%			$0	$0
RESIDENTIAL - 1B	1	5%			$0	$0
RESIDENTIAL - 2B	1	5%			$0	$0
RESIDENTIAL - 3B	1	5%			$0	$0
RESIDENTIAL OPERATING COSTS		5%			$0	$0
				TOTAL RESIDENTIAL	$0	$0
				TOTAL RENTAL INCOME	$255,650	$326,281

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM			
SURFACE		5%			$0	$0
DECK		5%			$0	$0
UNDERGROUND		5%			$0	$0
				TOTAL PARKING	$0	$0

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0
GROSS POTENTIAL INCOME					$255,650	$326,281

	RATE	COSTS ARE BASED ON		
LESS:PERMANENT VACANCY - RETAIL	5%		($12,783)	($16,314)
LESS:PERMANENT VACANCY - OFFICE			$0	$0
LESS:PERMANENT VACANCY - RES			$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA	($3,579)	($4,568)
LESS:OP COST ON VACANCY - OFFICE		PSF PA	$0	$0
LESS:OP COST ON VACANCY - RES		PU PM	$0	$0
EFFECTIVE GROSS INCOME			$239,288	$305,399
LESS: LANDLORD EXPENSES				
NET INCOME BEFORE DEBT SERVICE YEAR 1			$239,288	$305,399

NORTH YORK CONDO 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$239,288
YEAR 6	$305,399
CAP RATE 9.00%	
COMM. PROJECT VALUE: YEAR 1	$2,658,760
COMM. PROJECT VALUE: YEAR 6	$3,393,326

OVERALL RATES OF RETURN:

COMM. OVERALL RATE OF RETURN- YEAR 1	10.77%
COMM. OVERALL RATE OF RETURN- YEAR 6	13.75%
COMM. OVERALL RETURN ON CASH - YEAR 1	N/A
COMM. OVERALL RETURN ON CASH - YEAR 6	N/A

CONDO SALES:

UNIT	SQ. FT.	PRICE PSF	UNIT PRICE	# UNITS	TOTALS
RES-B			$0		$0
RES-1B	660	$300	$198,000	12	$2,376,000
RES-2B	900	$300	$270,000	28	$7,560,000
RES-3B			$0		$0
				TOTAL	$9,936,000

LESS:	LEGAL	1.50%	($149,040)
	PROMOTION	3.00%	($298,080)
	COMMISSION	3.00%	($298,080)
	NET SALE PROCEEDS		$9,190,800
	CASH LEFT IN BD		$238,523

COMPARATIVE ANALYSIS:

	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$2,141,676	$766,950	$1,374,726
CONSTRUCTION	$5,375,854	$754,861	$4,620,993
SOFT COST	$1,911,794	$699,622	$1,212,172
TOTAL COST	9,429,323	$2,221,433	7,207,891
NET INCOME BDS	N/A	$239,288	N/A
OVERALL RETURN	N/A	10.77%	27.51%
VALUE	N/A	$2,658,760	9,190,800
COST	N/A	$2,221,433	7,207,891
CREATED VALUE	N/A	$437,327	$1,982,909
CREATED VALUE %	N/A	19.69%	27.51%

HOUSING INTENSIFICATION STUDY

20-Aug-90

ETOBICOKE HIGHRISE SITE-RETAIL & OFFICE

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	6
CONSTRUCTION COMPLETION	18
COMPLETION-LEASEUP	24

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	20,450	
	VALUE(P.A.)	$0	$0.00 (PSF)
	VALUE	$0	

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	0		$0
	OFFICE	0		$0
	RESIDENCE	0		$0
	PARKING	0		$0
				$0

PURCHASE PRICE ALLOCATION:	LAND	$0
	BUILD'NG	$0
	TOTAL	$0

FINANCING:	AMOUNT	$0
	STATED RATE	12.00%
	NOMINAL RATE	11.7106%
	AMORT.(mos.)	300
	MONTHLY PAYMENTS	$0

LAND COSTS	MONTHS		RATE/MONTH		ALLOW	TOTAL
PURCHASE PRICE						$0
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	0		$0			$0
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$0	$0
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	6		$0			$0
PROPERTY TAXES					$0	$0
PLANNING/REZONING COSTS					$30,000	$30,000
					TOTAL	$30,000

ETOBICOKE HIGHRISE SITE-RETAIL & OFFICE

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO				$0
RETAIL	NEW	10,872	$60.00		$652,320
OFFICE	RENO				$0
OFFICE	NEW	10,226	$75.00		$766,950
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW	16	$80.00	625	$800,000
RES-2B	RENO				$0
RES-2B	NEW	12	$80.00	850	$816,000
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	24	$3,000.00		$72,000
	DECK				$0
	UNDERG'D	45	$15,000.00		$675,000
				TOTAL	$3,782,270

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$18,911
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$56,734
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$151,291
		CONSTRUCTION TOTAL		$4,009,206

PROPORTIONATE SHARE	COMMERCIAL	RESIDENTIAL
	46.76%	53.24%

ETOBICOKE HIGHRISE SITE-RETAIL & OFFICE

20-Aug-90

SOFT COSTS:		COSTS ARE BASED ON			
		RATE	ITEM		
ACCOUNTING & MANAGEMENT		0.50%	OF TOTAL BUILDING COSTS		$18,911
ADVERTISING & PROMOTION		1.50%	OF TOTAL BUILDING COSTS		$56,734
ARCHITECT/ENGINEERS		4.00%	OF TOTAL BUILDING COSTS		$151,291
COST CONSULTANTS		0.15%	OF TOTAL BUILDING COSTS		$5,673
LANDSCAPE ARCHITECT		0.00%	OF TOTAL BUILDING COSTS		$0
LEGAL FEES		0.75%	OF TOTAL BUILDING COSTS		$28,367
PERMITS		1.00%	OF TOTAL BUILDING COSTS		$37,823
LOT LEVIES		$0.75	PER GROSS FLOOR AREA		$32,624
MARKETING COSTS		2.00%	OF TOTAL BUILDING COSTS		$75,645
MISCELLANEOUS			OF TOTAL BUILDING COSTS		$0
COMMISSIONS					
RETAIL		18.00%	OF NET RENTAL INCOME		$45,010
OFFICE		18.00%	OF NET RENTAL INCOME		$25,770
RESIDENTIAL (LEASE)		7.00%	OF NET RENTAL INCOME		$15,624
PROJECT MANAGEMENT		5.00%	OF TOTAL BUILDING COSTS		$189,114
INSURANCE		1.00%	OF TOTAL BUILDING COSTS		$37,823
TENANT DESIGN		$0.50	PER SF OF COMMERCIAL NRA		$10,549
TENANT INDUCEMENTS & FINISHES					
RETAIL		$23.00	PER SF OF LEASABLE AREA		$250,056
OFFICE		$25.00	PER SF OF LEASABLE AREA		$255,650
RESIDENTIAL			INCL IN CONST'N		
	%				
PRELEASING: RETAIL	75%				
: OFFICE	25%				
: RESIDENTIAL	100%				
VACANCY COST DURING LEASING					
RETAIL		6	MONTHS X RATE PSF	$5.00	$3,398
OFFICE		6	MONTHS X RATE PSF	$7.00	$13,422
RESIDENTIAL		6	MONTHS X RATE P.U.	$250.00	$0
				TOTAL BEFORE FINANCE	$1,253,482
	RATE				
CONSTRUCTION FINANCING	13.00%				
LAND PURCHASE		18	MONTHS ON COST		$0
CONSTRUCTION		18	MONTHS ON COST		$521,197
SOFT COST		18	MONTHS ON COST		$162,953
LESS: INCOME DURING LEASEUP		6	MONTHS LESS 3 MO. FREE ON COMM.		($230,017)
COMMITMENT FEE		1.00%	OF INTERIM LOAN AMOUNT		$6,841
				TOTAL INTERIM FINANCE	$460,974
				TOTAL SOFT COSTS	$1,714,457

ETOBICOKE HIGHRISE SITE-RETAIL & OFFICE

20-Aug-90

DEVELOPMENT COST SUMMARY	RATE	COSTS ARE BASED ON ITEM	
LAND COST		FROM ABOVE	$30,000
CONSTRUCTION COST		FROM ABOVE	$4,009,206
SOFT COST		FROM ABOVE	$1,253,482
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$5,292,688
DEVELOPMENT INTEREST		FROM ABOVE	$460,974
TOTAL DEVELOPMENT COST			$5,753,663
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$5,753,663

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	$4,454,857
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$42,879
	ANNUAL PAYMENTS	$514,552
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	$5,685,652
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$54,726
	ANNUAL PAYMENTS	$656,713
	DEBT SERVICE RATIO	1.20

ETOBICOKE HIGHRISE SITE-RETAIL & OFFICE

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU	RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$23.00	$250,056	$319,142
OFFICE	5	5%	$14.00	$143,164	$182,718
			TOTAL COMMERCIAL	$393,220	$501,859
RESIDENTIAL					
RESIDENTIAL - B	1	5%		$0	$0
RESIDENTIAL - 1B	1	5%	$850.00	$163,200	$208,289
RESIDENTIAL - 2B	1	5%	$1,000.00	$144,000	$183,785
RESIDENTIAL - 3B	1	5%		$0	$0
RESIDENTIAL OPERATING COSTS		5%	($250.00)	($84,000)	($107,208)
			TOTAL RESIDENTIAL	$223,200	$284,866
			TOTAL RENTAL INCOME	$616,420	$786,725

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM		
SURFACE		5%	$0	$0	$0
DECK		5%	$0	$0	$0
UNDERGROUND		5%	$50	$27,000	$34,460
			TOTAL PARKING	$27,000	$34,460

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0
GROSS POTENTIAL INCOME					$643,420	$821,185

	RATE	COSTS ARE BASED ON		
LESS:PERMANENT VACANCY - RETAIL	5%		($12,503)	($15,957)
LESS:PERMANENT VACANCY - OFFICE	5%		($7,158)	($9,136)
LESS:PERMANENT VACANCY - RES	0%		$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA	($2,718)	($3,469)
LESS:OP COST ON VACANCY - OFFICE	$7.00	PSF PA	($3,579)	($4,568)
LESS:OP COST ON VACANCY - RES	$250.00	PU PM	$0	$0
EFFECTIVE GROSS INCOME			$617,462	$788,055
LESS: LANDLORD EXPENSES				
NET INCOME BEFORE DEBT SERVICE YEAR 1			$617,462	$788,055

ETOBICOKE HIGHRISE SITE-RETAIL & OFFICE 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$617,462
YEAR 6	$788,055
CAP RATE 8.00%	
PROJECT VALUE: YEAR 1	$7,718,274
PROJECT VALUE: YEAR 6	$9,850,690

OVERALL RATES OF RETURN:

OVERALL RATE OF RETURN- YEAR 1	10.73%
OVERALL RATE OF RETURN- YEAR 6	13.70%
OVERALL RETURN ON CASH - YEAR 1	7.92%
OVERALL RETURN ON CASH - YEAR 6	193.12%

COMPARATIVE ANALYSIS:	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$30,000	$15,000	$15,000
CONSTRUCTION	$4,009,206	$1,874,675	$2,134,531
SOFT COST	$1,714,457	$1,130,797	$583,660
TOTAL COST	$5,753,663	$3,020,472	$2,733,191
NET INCOME BDS	$617,462	$379,887	$237,575
OVERALL RETURN	10.73%	12.58%	8.69%
VALUE	$7,718,274	$4,748,586	$2,969,687
COST	$5,753,663	$3,020,472	$2,733,191
CREATED VALUE	$1,964,611	$1,728,114	$236,497
CREATED VALUE %	34.15%	57.21%	8.65%

HOUSING INTENSIFICATION STUDY

20-Aug-90

ETOBICOKE HIGHRISE SITE-RESIDENTIAL

	MONTH
PROJECT START DATE	0
CONSTRUCTION START DATE	6
CONSTRUCTION COMPLETION	18
COMPLETION-LEASEUP	24

LAND ACQUISITION COSTS:

LAND:	AREA (S.F.)	20,450	
	VALUE(P.A.)	$0	$0.00 (PSF)
	VALUE	$0	

		EXISTING NRA / DU	AVER RATE	CURRENT INCOME p.a.
BUILDINGS:	RETAIL	0		$0
	OFFICE	0		$0
	RESIDENCE	0		$0
	PARKING	0		$0
				$0

PURCHASE PRICE ALLOCATION:	LAND	$0
	BUILDING	$0
	TOTAL	$0

FINANCING:	AMOUNT	$0
	STATED RATE	12.00%
	NOMINAL RATE	11.7106%
	AMORT.(mos.)	300
	MONTHLY PAYMENTS	$0

LAND COSTS	MONTHS		RATE/MONTH		ALLOW.	TOTAL
PURCHASE PRICE						$0
LAND RENT	0		$0			$0
HOLDING INCOME: RETAIL	0		$0			$0
OFFICE	0		$0			$0
RESIDENTIAL	0		$0			$0
PARKING	0		$0			$0
CLOSING COSTS		X		+		$0
DEMOLITION COSTS			$5		$0	$0
LEASE BUYOUTS						$0
RES RELOCATION COSTS						$0
LAND FINANCING COSTS	6		$0			$0
PROPERTY TAXES					$0	$0
PLANNING/REZONING COSTS					$30,000	$30,000
					TOTAL	$30,000

ETOBICOKE HIGHRISE SITE-RESIDENTIAL

20-Aug-90

CONSTRUCTION COSTS:

TYPE	CONST.	S.F./D.U.	COST/UNIT	APT.-GSF	
RETAIL	RENO				$0
RETAIL	NEW	10,872	$60.00		$652,320
OFFICE	RENO				$0
OFFICE	NEW				$0
RES-B	RENO				$0
RES-B	NEW				$0
RES-1B	RENO				$0
RES-1B	NEW	24	$80.00	625	$1,200,000
RES-2B	RENO				$0
RES-2B	NEW	18	$80.00	850	$1,224,000
RES-3B	RENO				$0
RES-3B	NEW				$0
PARK	SURFACE	24	$3,000.00		$72,000
	DECK				$0
	UNDERG'D	45	$15,000.00		$675,000
				TOTAL	$3,823,320

	RATE	ITEM	ALLOWANCE	
SITE WORK	0.50%	OF TOTAL BUILDING COSTS		$19,117
LANDSCAPING	1.50%	OF TOTAL BUILDING COSTS		$57,350
CHANGE ORDERS	0.00%	OF TOTAL BUILDING COSTS		$0
CONTINGENCY	4.00%	OF TOTAL BUILDING COSTS		$152,933
		CONSTRUCTION TOTAL		$4,052,719

PROPORTIONATE SHARE	COMMERCIAL	RESIDENTIAL
	21.20%	78.80%

ETOBICOKE HIGHRISE SITE - RESIDENTIAL

20-Aug-90

DEVELOPMENT COST SUMMARY	RATE	COSTS ARE BASED ON ITEM	
LAND COST		FROM ABOVE	$30,000
CONSTRUCTION COST		FROM ABOVE	$4,052,719
SOFT COST		FROM ABOVE	$968,597
DEVELOPMENT CONTINGENCY		INCL IN CONSTRUCTION	$0
COST SUBTOTAL			$5,051,317
DEVELOPMENT INTEREST		FROM ABOVE	$391,378
TOTAL DEVELOPMENT COST			$5,442,695
LESS HOLDING INCOME		INCL IN DEVELOPMENT INTEREST	
NET TOTAL DEVELOPMENT COST			$5,442,695

PROJECT FINANCING:

PERMANENT FINANCING YEAR 1	PRINCIPAL	$4,304,597
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$41,433
	ANNUAL PAYMENTS	$497,196
	DEBT SERVICE RATIO	1.20

PERMANENT FINANCING YEAR 6	PRINCIPAL	$5,493,878
	STATED RATE	11.00%
	NOMINAL RATE	10.76%
	AMORTIZATION (mos)	300
	MONTHLY PAYMENTS	$52,880
	ANNUAL PAYMENTS	$634,562
	DEBT SERVICE RATIO	1.20

ETOBICOKE HIGHRISE SITE-RESIDENTIAL

20-Aug-90

PROJECT INCOME
(FIRST FULL YEAR OF OPERATION)

RENTAL INCOME:	TERM(YRS)	ANNUAL GROWTH	RATE PSF/PU	RENTAL INCOME 1ST YEAR	RENTAL INCOME 6TH YEAR
RETAIL	5	5%	$23.00	$250,056	$319,142
OFFICE	5	5%		$0	$0
			TOTAL COMMERCIAL	$250,056	$319,142
RESIDENTIAL					
RESIDENTIAL - B	1	5%		$0	$0
RESIDENTIAL - 1B	1	5%	$850.00	$244,800	$312,434
RESIDENTIAL - 2B	1	5%	$1,000.00	$216,000	$275,677
RESIDENTIAL - 3B	1	5%		$0	$0
RESIDENTIAL OPERATING COSTS		5%	($250.00)	($126,000)	($160,811)
			TOTAL RESIDENTIAL	$334,800	$427,299
			TOTAL RENTAL INCOME	$584,856	$746,441

ADDITIONAL INCOME

PARKING	TERM(YRS)	ANNUAL GROWTH	RATE STALL PM		
SURFACE		5%	$0	$0	$0
DECK		5%	$0	$0	$0
UNDERGROUND		5%	$50	$27,000	$34,460
			TOTAL PARKING	$27,000	$34,460

	TERM(YRS)	ANNUAL GROWTH	RATE PSF	SQ. FT.		
STORAGE					$0	$0
GROSS POTENTIAL INCOME					$611,856	$780,901

	RATE	COSTS ARE BASED ON		
LESS:PERMANENT VACANCY - RETAIL	5%		($12,503)	($15,957)
LESS:PERMANENT VACANCY - OFFICE	6%		$0	$0
LESS:PERMANENT VACANCY - RES	0%		$0	$0
LESS:OP COST ON VACANCY - RETAIL	$7.00	PSF PA	($2,718)	($3,469)
LESS:OP COST ON VACANCY - OFFICE	$7.00	PSF PA	$0	$0
LESS:OP COST ON VACANCY - RES	$250.00	PU PM	$0	$0
EFFECTIVE GROSS INCOME			$596,635	$761,475
LESS: LANDLORD EXPENSES				
NET INCOME BEFORE DEBT SERVICE YEAR 1			$596,635	$761,475

ETOBICOKE HIGHRISE SITE-RESIDENTIAL 20-Aug-90

INVESTMENT ANALYSIS:

OVERALL PROJECT VALUE:

NET INCOME BEFORE DEBT SERVICE: YEAR 1	$596,635
YEAR 6	$761,475
CAP RATE 8.00%	
PROJECT VALUE: YEAR 1	$7,457,940
PROJECT VALUE: YEAR 6	$9,518,431

OVERALL RATES OF RETURN:

OVERALL RATE OF RETURN- YEAR 1	10.96%
OVERALL RATE OF RETURN- YEAR 6	13.99%
OVERALL RETURN ON CASH - YEAR 1	8.74%
OVERALL RETURN ON CASH - YEAR 6	-247.96%

COMPARATIVE ANALYSIS:	OVERALL PROJECT	COMMERCIAL PORTION	RESIDENTIAL PORTION
LAND COST	$30,000	$15,000	$15,000
CONSTRUCTION	$4,052,719	$859,361	$3,193,358
SOFT COST	$1,359,975	$635,565	$724,410
TOTAL COST	$5,442,695	$1,509,926	$3,932,768
NET INCOME BDS	$596,635	$240,560	$356,075
OVERALL RETURN	10.96%	15.93%	9.05%
VALUE	$7,457,940	$3,007,005	$4,450,935
COST	$5,442,695	$1,509,926	$3,932,768
CREATED VALUE	$2,015,245	$1,497,079	$518,166
CREATED VALUE %	37.03%	99.15%	13.18%

ETOBICOKE HIGHRISE SITE-RESIDENTIAL

20-Aug-90

SOFT COSTS:

	RATE	ITEM		
	COSTS ARE BASED ON			
ACCOUNTING & MANAGEMENT	0.50%	OF TOTAL BUILDING COSTS		$19,117
ADVERTISING & PROMOTION	1.50%	OF TOTAL BUILDING COSTS		$57,350
ARCHITECT/ENGINEERS	4.00%	OF TOTAL BUILDING COSTS		$152,933
COST CONSULTANTS	0.15%	OF TOTAL BUILDING COSTS		$5,735
LANDSCAPE ARCHITECT	0.00%	OF TOTAL BUILDING COSTS		$0
LEGAL FEES	0.75%	OF TOTAL BUILDING COSTS		$28,675
PERMITS	1.00%	OF TOTAL BUILDING COSTS		$38,233
LOT LEVIES	$0.75	PER GROSS FLOOR AREA		$33,354
MARKETING COSTS	2.00%	OF TOTAL BUILDING COSTS		$76,466
MISCELLANEOUS		OF TOTAL BUILDING COSTS		$0
COMMISSIONS				
RETAIL	18.00%	OF NET RENTAL INCOME		$45,010
OFFICE	18.00%	OF NET RENTAL INCOME		$0
RESIDENTIAL (LEASE)	7.00%	OF NET RENTAL INCOME		$23,436
PROJECT MANAGEMENT	5.00%	OF TOTAL BUILDING COSTS		$191,166
INSURANCE	1.00%	OF TOTAL BUILDING COSTS		$38,233
TENANT DESIGN	$0.50	PER SF OF COMMERCIAL NRA		$5,436
TENANT INDUCEMENTS & FINISHES				
RETAIL	$23.00	PER SF OF LEASABLE AREA		$250,056
OFFICE	$25.00	PER SF OF LEASABLE AREA		$0
RESIDENTIAL		INCL IN CONST'N		

	%
PRELEASING: RETAIL	75%
: OFFICE	
: RESIDENTIAL	100%

VACANCY COST DURING LEASING				
RETAIL	6	MONTHS X RATE PSF	$5.00	$3,398
OFFICE	6	MONTHS X RATE PSF	$7.00	$0
RESIDENTIAL	6	MONTHS X RATE P.U.	$250.00	$0
		TOTAL BEFORE FINANCE		$968,597

CONSTRUCTION FINANCING	RATE 13.00%			
LAND PURCHASE	18	MONTHS ON COST		$0
CONSTRUCTION	18	MONTHS ON COST		$526,853
SOFT COST	18	MONTHS ON COST		$125,918
LESS: INCOME DURING LEASEUP	6	MONTHS LESS 3 MO. FREE ON COMM.		($267,921)
COMMITMENT FEE	1.00%	OF INTERIM LOAN AMOUNT		$6,528
		TOTAL INTERIM FINANCE		$391,378
		TOTAL SOFT COSTS		$1,359,975